



THE CODE OF CONDUCT OF SPHERA FRANCHISE GROUP SA AND ITS SUBSIDIARIES

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Important note:

This Code of Conduct does not change any other terms and conditions of your employment with Sphera or any of its subsidiaries, nor does it create contractual rights for any employee, shareholder, customer, supplier, consumer or competitor.



I. MESSAGE FROM THE CEO

Constant development as an industry leader through relevance and trust is the organizational goal of Sphera Franchise Group.

We started 28 years ago, bringing to Romania one of the world's most loved brands, Pizza Hut, and now we are the largest local operator in the food service industry. Our portfolio includes three world known brands – KFC, Pizza Hut and Taco Bell – and over 170 restaurants across three countries. We are listed on the Bucharest Stock Exchange, and our shares are included in BET, the most representative local stock exchange index, as well as in FTSE Global Microcap, an index in which only six companies in Romania are represented.

We are in this position thanks to our high standards, which make us a reliable partner for all stakeholders – colleagues, customers, suppliers, collaborators, investors or shareholders. They are incorporated into every action and interaction, from the way in which we prepare and serve our unique products to the professional teams that we build. These are standards in terms of food safety, operations, service excellence, but also ethics and integrity.

We act fairly in all our business practices and are transparent about our operations, and abide by a firm commitment to integrity, while pursuing the development of an authentic business that is a benchmark in the food service industry.

Sphera' Code of Conduct is the document that reflects how we act and interact with our stakeholders. Drafted in line with our mission and values, it summarizes the commitment to ethics and integrity that defines Sphera Franchise Group.

That is why it is important for every colleague, in each of our companies, to make a promise to strictly follow the Code of Conduct. It defines us as a business and is the foundation for all our activities, from our attitude towards consumers to the ethics and professionalism with which we act on a daily basis. The principles of the Code of Conduct help build trust, one of the two pillars of Sphera's vision, alongside relevance - which have supported our growth so far and which are crucial to furthering our development as an industry leader.

Călin Ionescu

CEO

Sphera Franchise Group

OUR VALUES

– guiding in-house culture to drive results –



TEAM

Our success comes from teamwork. We work with the colleagues to implement and adopt the best practices; with the customers to offer them excellent experiences; with the community to create the premises for development.

TRUST

We increase confidence in the human potential. We trust our colleagues and their positive intentions. We offer confidence to our customers through the quality of our products and services. We are responsible and accountable for our actions.

GRATITUDE

We appreciate every achievement. We celebrate our successes and those of others. We are grateful for the opportunities for personal development. We are grateful to the team for their support.

ACTION

We act promptly and look forward to the future. We focus on priorities and solutions. We do not tolerate inequities.

GROWTH

We grow people and business. We encourage employees to grow both personally and professionally. We grow management teams directed to SMART & HEART & COURAGE & GREEN. We build SMART restaurants for our customers.

II. OUR COMMITMENT TO INTEGRITY



Our joint commitment to integrity

- > Knowing and following the standards of conduct applicable to the position held and the activities carried out within Sphera and the Subsidiaries;
- > Asking questions and/or asking for help in case of doubt.

What is the purpose of this Code?

Sphera and the Subsidiaries are committed to conducting their business in accordance with applicable laws and standards of ethical business conduct.

In the current business context, standards and expectations for responsible conduct are more important than ever.

The Code provides an introduction to major laws and policies applicable to all the employees of Sphera and the Subsidiaries. The Code is also a useful resource for each of us; thus:

- > we will know when to ask for advice, and
- > we will know who we can go to for guidance if we ever have doubts as to the right course of action.

Who is required to follow this Code?

The Code applies to employees of Sphera Franchise Group SA and the Subsidiaries (US Food Network S.A. – KFC Romania, US Food Network S.R.L. – KFC Moldova, US Food Network S.r.l. – KFC Italy, American Restaurant System S.A. – Pizza Hut Romania, Pizza Hut Delivery Romania, California Fresh Flavor S.R.L. – Taco Bell Romania), collectively referred to as “Sphera” or “the Company”, regardless of the position, status or mandate.

Unless otherwise indicated, all references in this Code to the employee(s) shall be construed as references to both the employee(s) and the director(s).

What are the responsibilities of an employee of Sphera and the Subsidiaries?

It is your responsibility to become familiar with and follow the Code and its standards that apply to your position. Any new employees should be notified of the standards of conduct contained in this Code. In certain cases, some employees are required to undergo an annual certification of their continued compliance with the Code. You also have a responsibility to seek advice, when appropriate, to raise any concerns and to report potential violations of this Code to the management.



You will be doing your duty if:

- > **You keep informed.** You understand and comply with the policies and standards that apply to the position held within the Company; you participate in the mandatory and voluntary ethics and compliance training; you work with your colleagues to become familiar with applicable requirements;
- > **You seek guidance.** This Code does not provide all the answers, and no one expects you to know all the answers. We encourage asking for help and consulting with others when anything is unclear;
- > **You stand your ground.** Never compromise Company standards (or your own integrity) to meet other goals. When the opportunity arises to take the easy way, and not the ethical one, keep in mind that the Company expects you to do what is right and that you have full support from the management in this regard;
- > **You raise issues found.** You have an **obligation to openly say** if something does not seem fair. Do not assume that, just because everyone addresses an issue in a certain way, it is also the right way, that the situation is already known to the management or that someone else will take care of it. In addition to raising any concerns, we encourage you to come up with ideas to better manage compliance responsibilities.

What role do managers and superiors have?

If you manage a team, your position entails trust shown by the Company. To maintain such trust, you should:

- > **Be a positive role model.** Lead by example. Show what it means to act with integrity in your day-to-day decisions and actions. Take responsibility and be accountable for your own conduct and your team's conduct;
- > **Raise awareness and understanding.** Use your knowledge about our business to help those around you to identify and address ethics and compliance risks;
- > **Set appropriate goals.** Always convey the clear message that everyone should act in line with these standards of conduct, regardless of any other goals set. Do not set goals that compromise our values and standards;
- > **Be responsive.** Give the appropriate response to anyone raising a compliance or ethics concern to you, also employing other resources, where appropriate. Monitor the conduct of those whom you oversee, and, if that is not in accordance with our standards, take action in a fair, appropriate and consistent manner.

What does the Code contain in terms of standards?

The Code is the foundation of our commitment to integrity – it provides an overview of many of the issues that may arise. However, it cannot predict every issue or describe any law or policy that may apply to a situation you encounter. The employees of both Sphera and the Subsidiaries are also subject to other policies and procedures not described in this Code. Keep in mind that everyone's role is different, and, so, regardless of the position held, make sure you know the rules and policies it involves. If you are ever unsure, you should discuss any concerns you may have with your immediate superior or the Legal Department.

The Code and laws varying from country to country

Sphera is a company that operates in three markets and abides by the laws of each country where it operates. We have a responsibility to uphold the same high standards of integrity everywhere; therefore, we follow this Code of Conduct, while also complying with local laws.

If you believe that any provision of the Code may be interpreted as different from a law, regulation or some other Company policy that is in force, please check with the Legal Department or a member of the management team.

Who is authorized to amend or waive any provisions hereof?

This Code of Conduct may be subject to amendments or changes originating from the Board of Directors of Sphera Franchise Group SA. Exemptions from this Code in respect of an Executive Director or a member of the Board of Directors may only be granted by the Board of Directors or by a Committee of the Board of Directors, if any, with express authority. The amendments, changes and exemptions shall be disclosed in accordance with capital market laws and the rules below, as well as the applicable rules of the Bucharest Stock Exchange.

What actions could constitute a violation of this Code:

Here are some examples of actions that may subject employees to disciplinary action under the Code:

- > Violations of laws, regulations or Company standards in force;
- > The guidance or encouragement of others to violate laws, regulations or Company standards in force;
- > The failure to report known or suspected violations of laws, regulations or Company standards in force;
- > The failure to monitor the conduct of subordinates, agents or suppliers for which you are accountable;
- > The lack of cooperation or the concealment of the truth during an investigation;
- > Retaliation against others for raising or reporting in good faith a concern about non-compliance with the Code of Conduct or any another ethical issue;
- > Any other conduct which is inconsistent with a business environment of integrity and commitment to compliance with the law.

What are the consequences for violating the Code?

Anyone violating this Code or its policies may be subject to disciplinary action. Although the specific type of disciplinary action depends on the specific circumstances and the severity of each case, it may include one or several of the following:

- > A written warning;
- > Demotion, along with the salary matching the ordered position for the demotion, for a duration that may not exceed 60 days;
- > A 5-10% basic salary cut for a period of 1-3 months;
- > A 5-10% basic salary and/or management allowance cut, as the case may be, for a period of 1-3 months;
- > The disciplinary termination of the individual employment agreement or of any another contract under which the person in question operates.

In addition to these actions, when an illegal act has been committed, the Company may refer the matter to the competent authorities. Violations of the law can lead to legal action against all parties involved, with serious consequences.

How will compliance with the Code be monitored and enforced?



This Code is more than just a description of our standards of conduct. It is the core element of an ethics and compliance program that upholds our values and is supported by the Board of Directors and the executive team.

The functions below play a key role in its monitoring and enforcement:

- > **The Sphera Compliance Supervision Committee** provides strategic direction for the Company compliance program and monitors results;
- > **The Board Audit Committee** assists and advises the Board of Directors on the Company ethics and compliance program, including reports from the management on compliance with this Code, as appropriate.

These supervision mechanisms help to ensure that this Code is enforced consistently throughout the Company and that individuals at all levels are liable for their conduct.



III. OUR COMMITMENT TO CUSTOMERS, RESTAURANTS, SUB-FRANCHISEES AND THE MARKET

Our commitment

Our business relies on offering products and services to the highest standards of quality and food safety, which ensures consumer trust. From sourcing and procurement to product preparation and delivery, Sphera shows honesty and fairness in accordance with all laws governing the food service industry.

Food safety and product quality

Food safety and product quality are the core of our business, providing our customers with the highest quality dishes served in clean, attractive, safe and comfortable environments. The integrity of our products is conditional on the strict observance of food safety procedures in line with in-house standards, as well as all legal, quality and contractual requirements.

Sphera's expectations:

- > Complying with all in-house standards, as well as legal, quality and contractual requirements governing the way in which our products are prepared;
- > Using raw materials and products that meet the specifications of the Yum! franchisor and originate from approved suppliers;
- > Learning and implementing procedures for handling and preparing food, including proper personal hygiene;
- > Reporting any issues that could compromise our commitment to food safety and the quality of products offered.

Report any team member who:

- > Does not comply with food safety or product quality standards to reach production or performance targets;
- > Forges the results of food safety tests.

QUESTION	ANSWER
I work at a Company restaurant and I have noticed that one of my colleagues does not properly follow procedures for labeling sliced plant products. Should I do or say something about it?	Yes , you should report the situation to your immediate superior or via Sphera's Integrity – the Speak Up Line. We cannot risk compromising food safety by not complying with standards. This could jeopardize the integrity of our products and our customers' safety.

Customers

Sphera and its Subsidiaries respect, support and promote human rights, including by honoring customer diversity. Therefore, all customers should be treated equally, and one may not discriminate in any way on the grounds of race, color, belief, religion, sex (including pregnancy, childbirth and medical conditions related to pregnancy, childbirth and breastfeeding), age, mental or physical disability, protected medical condition, physical impairment, genetic information, sexual orientation, gender identity, gender expression, sexual stereotypes, national origin, ancestry, nationality, social or ethnic origin, military or veteran status, civil status, citizenship status, political affiliation or any other status protected by law.

Sub-franchisees

We treat our sub-franchisees fairly and have open and honest communication.

In their activities, Sphera sub-franchisees also comply with our integrity standards, as well as food safety and brand-specific standards.

Although this Code does not apply directly to sub-franchisees and their employees, Sphera expects them to establish and enforce their own standards and practices to ensure the integrity of their operations and a consistent customer experience.

Sphera's expectations:

- > A fair and respectful treatment of sub-franchisees;
- > Open and honest communication with the sub-franchisees;
- > The protection of the confidential information of the sub-franchisees.

Report:

- > Any sub-franchisee's information being misused or improperly disclosed;
- > Any sub-franchisee being treated unfairly;
- > Any violations of the law or business standards, such as food safety or the fight against corruption, within operations at sub-franchise level.

QUESTION	ANSWER
<p>My friend's daughter works part-time at a restaurant run by a sub-franchisee. She has told me that food raw materials are stored and cooked there after the expiration date. Should I notify someone of this?</p>	<p>Yes, since food safety is compromised and customers' well-being is also at risk. Moreover, the reputation of both Sphera and Yum! brands could be damaged. Get in touch with Sphera's Quality Assurance team so that the situation is properly assessed and appropriate actions are taken.</p>



Fair competition

Our portfolio includes some of the most loved restaurant brands worldwide and we are a successful business based on ethics and honest conduct.

We strictly abide by competition law, which creates the foundation for free markets around the world and generally prohibits anti-competitive agreements, such as agreements with the competition to set prices or share markets.

Sphera's expectations:

- > Standing out in the market thanks to the quality of the products and services offered to customers following fact-based comparisons;
- > Presenting and promoting truthful information about our products and services;
- > Avoiding contacts with the competition that may give the impression of undue, off-the-record or unofficial agreements;
- > Selecting suppliers and other third parties solely based on the merits of the products offered, clearly stating the expectation of a fair and honest treatment for our business;
- > Preserving strict confidentiality in terms of the information about Sphera and Yum!, our franchisor, as well as customers and suppliers.

Report any team member:

- > Who enters into agreements or has discussions with a competitor that involve:
 - Prices, pricing formulas, costs or profits;
 - Marketing plans or sales territories;
 - Terms or conditions of sale;
 - The market share, the sales capacity or production volumes;
 - The allocation of customers or product lines;
 - Suppliers and supply or distribution methods;
- > Who resorts to unfair or misleading business practices;
- > Who collects information about the competition by inappropriate, misleading or dishonest means;
- > Who makes false or unjustified negative statements about the products or business practices of our competitors.

QUESTION	ANSWER
My manager has recently asked our team to spread rumors about a possible case of <i>E. coli</i> at a restaurant across the street. We live in a small town and information spreads easily and quickly. Is that not unfair to our competitor by any chance?	Definitely. We are the largest group in the food service industry in Romania, which offers customers quality products and services. Spreading false rumors like this is wrong and runs the risk of damaging our reputation and exposing us to potential liability.

Red flags:

The following situations may give rise to competition law risks.

Always involve Sphera's Legal Department before:

- > Entering into any joint ventures, mergers, acquisitions or marketing, acquisition or similar collaboration agreements with the competition;
- > Establishing exclusive dealing arrangements (e.g. contracts that require a company not to do business with our competitors) or refusing to do business with others because of their relationship with our competitors;
- > Engaging in or managing activities with professional associations, such as those that set industry standards or wage policies;
- > Entering into agreements or arrangements with competitors regarding prices, terms of sale, the market share or technologies.

Gifts and entertaining

While building good working relationships, business courtesies, which include gifts (whether branded or not), favors, payments for meals, services, transportation, accommodation and entertaining, are often exchanged. Although they can build goodwill, they can also call into question the motivation of the person offering them. In short, business courtesies can create their own "conflicts of interest". As a general rule, never offer a business courtesy if this could be qualified as an attempt to influence a business decision (whether present or future). Likewise, never ask for or accept a business courtesy from a third party, such as suppliers or sub-franchisees (whether current or prospective), if it could be perceived as a cause for compromising objectivity in making a business decision. In any case, expenses associated with business courtesies that you give should be completely and accurately recorded, in sufficient detail, in Company books and records, such as expense reports and the relevant accounts in the Company General Ledger.

General requirements

A business courtesy may only be offered, given or accepted if:

- > It is reasonable in terms of the amount and it is not in cash (or cash equivalents, such as gift cards); and
- > It is offered or given as a general proof of goodwill for purposes such as recognition in connection with the promotion, demonstration or explanation of Company products; and
- > Public disclosure of that business courtesy is not likely to cause embarrassment or to damage the reputations of those involved, including Sphera; and
- > It is legal and permitted under local laws, government regulations, and the policies of organizations represented by the person offering, accepting, or receiving it; and
- > It is permitted under specific local or regional policies adopted for your market, it is authorized at an appropriate Company management level and it is duly reflected in Company books and records; and
- > It is not offered, given or accepted if the purpose is to wrongly influence government officials or business decision-makers to misuse their functions or to influence their actions (also see "The fight against corruption" on page 30); and
- > It does not involve places or activities that include "adult entertainment" or any illegal event, substance or item.

Public officials

Gifts and entertaining offered to public officials pose a special risk. Before giving or offering a business courtesy to a public official, the following should be ensured:

- > Transparency and honesty in this process and accurate registration in Sphera records;
- > No law or local Company policy is violated;
- > The relevant courtesy is directly related to the promotion, demonstration or explanation of Company products (e.g., gifts consisting of logo items promoting our brands or products offered to demonstrate new offerings);
- > The relevant courtesy is nominal in value (its value is insignificant to both the one giving it and the one receiving it) and is offered only to reflect esteem and goodwill, such as gifts for traditional holidays or special life events, such as weddings and births;
- > There is no decision regarding Sphera pending before the public official receiving the gift or the direct reports thereof;
- > You have the approval of the Legal Department and all reports have been made under the terms of the Company policy.

See the guidance given in the section hereof titled "The fight against corruption" and Sphera's Anti-bribery Policy, which is attached as an appendix to this Code, for specific guidance in this area.

QUESTION	ANSWER
During my routine communications with one of Sphera's suppliers, they offered to send me one of their products for my personal use. It is a rather expensive item (e.g., a personal tablet similar to an iPad), so I felt uncomfortable accepting it and initially I turned down the offer. The supplier kept insisting that I should accept the gift because it is not a big deal from their point of view and they want me to enjoy it. Can I accept the gift if I do not think it would affect my judgment in dealings with the supplier?	Since you have received a personal benefit with a value greater than the nominal value from a supplier, you should disclose the situation to the management or the Legal Department and seek guidance before accepting the gift. It is highly unlikely that you will be allowed to accept the gift, as it could be perceived as a cause for compromising your ability to be objective in making business decisions in connection with this supplier in the future. If the gift were to be approved, you should also disclose it in your Annual Code of Conduct Questionnaire.

Sphera's expectations:

- > To exercise fair judgment and moderation and discretion when giving and receiving business courtesies;
- > To understand the rules and laws that might apply before offering or accepting business courtesies, especially if public officials are involved;
- > To inform your immediate superior and the Legal Department whenever a business courtesy received, given or offered violates these standards or if you have any doubts.

Report any team member:

- > Requesting or accepting a business courtesy with the expectation to obtain something in return;
- > Giving or receiving any gift in cash (or cash equivalents, such as gift cards, bank cheques, money orders, investment securities, negotiable instruments, loans, stock or stock options – without limitation to these);
- > Participating in an activity that would cause the person giving or receiving that business courtesy to violate the standards of his or her employer;
- > Participating in any entertainment or activity that is illegal, unethical, sexual in nature or otherwise inconsistent with Company values and standards;
- > Not accurately recording business courtesies in accordance with the Company policy reporting requirements.

Working with suppliers

Our suppliers are valuable partners for the success of our business. Relationships with them should be characterized by honesty and fairness and they should be selected on the basis of competitive factors such as quality, service, technology and price. Moreover, suppliers should share our commitment to ethics and compliance, as well as sustainable development.

Sphera's expectations:

- > Conducting business only with suppliers that comply with applicable legal requirements and Company standards related to employment and safe working conditions;
- > Providing competitive opportunities to suppliers to do business with Sphera, including small businesses and businesses owned by women, minorities or disadvantaged groups;
- > Protecting proprietary information shared with suppliers under confidentiality agreements;
- > Meeting commitments, contracts and agreements with suppliers.

Report any suspicions of:

- > Potential conflicts of interest in the selection of suppliers, such as accepting undue gifts, kickbacks or other benefits;
- > Business relations with a company owned by a relative or close friend, without prior disclosure of the conflict of interest to the management;
- > The direction of Sphera's business to a company owned by an individual with ties to a government official who has any relations with the Company;
- > Abusive or harassing work environments, unsafe conditions or other mistreatment of workers on the premises of the suppliers.

QUESTION	ANSWER
<p>We have to enter into a contract with a local company to provide cleaning supplies and we would like to find someone quickly. My brother manages such a company and I know he can offer us the things we need. Can we save time and effort by hiring his company directly?</p>	<p>No. Hiring your brother because you trust him can be a good personal choice, but it is not necessarily a sound business decision because it creates a conflict of interest between your wanting to help your brother and your objectivity in selecting the most competitive supplier for the Company.</p>

However, if you properly disclose the situation to Sphera and are not involved in the selection process or in the management of the supplier (and none of your subordinates is involved), your brother's company may compete alongside other suppliers qualifying for the contract. You should also disclose this business relationship in your annual Code of Conduct Questionnaire.

For details and guidance please refer to [Supplier Code of Conduct Policy](#)

Sphera is committed to operating legally and responsibly. Our Supplier Code of Conduct has been developed to set out our expectations that suppliers should comply with all legal requirements and to encourage ethical business practices.

International trade

Sphera conducts business responsibly and honestly in all the markets in which it operates. We comply with the laws, rules and regulations in force that apply to our field of business. We do not tolerate, facilitate or support terrorist activities. If you suspect that any supplier, third party, sub-franchisee, etc. with whom Sphera has a relationship is involved in illegal activities or if you think that terrorist groups could benefit from any business activity of Sphera, financially or otherwise, please report this to the Legal Department.

In addition, several countries impose restrictions on exports and trade relations with certain other countries, legal entities and individuals and involving certain activities. Trade restrictions take many forms, including bans on:

- > Exports to a banned country;
- > Imports from or dealings in goods from a specified or sanctioned country;
- > Travel to or from a sanctioned country;
- > New investment in a sanctioned country;
- > Financial transactions and relations involving a sanctioned country or designated individuals and legal entities;
- > Participation in boycotts imposed by certain countries.

Trade restrictions include licensing obligations for the export of certain products or technologies.

The list of banned countries and restrictions modifies depending on changes in global politics. For this reason, if your work involves international cross-border sales or shipments, make sure you are aware of the rules that apply and check the Legal Department if you are unsure.

You should also check export requirements regarding transfers of technology or products to another country.

"Export" does not only mean the transfer of physical goods, but may include the transfer of restricted information to a national of another country by:

- > E-mail or telephone conversations;
- > Face-to-face discussions or
- > Visits to Sphera or Yum! facilities (e.g., having files or electronic data on you for sharing, transferring or transmitting).



Sphera's expectations:

- > Following all relevant regulations on international trade control with regard to imports and exports;
- > Ensuring that Sphera or its agents will provide accurate and complete import declarations and information to government authorities;
- > Checking business transactions against applicable rules restricting transactions with sanctioned countries and persons and restricted end users, if any;
- > Avoiding restrictive business practices in accordance with applicable laws, if any.

Report any team member:

- > Making false declarations on customs forms or to government authorities;
- > Using invoices for imported goods where the price shown does not reflect the total value or the description of the goods is not complete or the country of origin is not correctly identified;
- > Paying a middleman for passage to another entity or to avoid disclosing the country where the money goes.

QUESTION	ANSWER
<p>I work with a Sphera restaurant in the Republic of Moldova to make deliveries from Romania. The country where the restaurant is located has recently banned the import of certain food products from Romania. My local contact has asked me to send the deliveries to a neighboring country and "he will take care of it from there". Can I do that?</p>	<p>No. The local contact may be using an illegal system to bring banned goods to the Republic of Moldova through a third country. While this might seem like a clever way around the law, it is probably illegal. The export, import and transport documentation should accurately reflect where the goods are headed, what they are, and how they will be used.</p>



IV. OUT COMMITMENT TO SHAREHOLDERS

Our commitment

Sphera aims to maximize the long-term value of the shares through a well-defined business strategy that generates good financial results. In achieving this goal, we will be transparent about our business decisions, the assessment and reporting of financial results, the protection of assets and resources, and the trading of the Company's securities.

Corporate opportunities

Employees have a duty to promote the Company's legitimate interests.

Employees are not allowed:

- > To take personal advantage of the opportunities discovered by capitalizing the corporate goods and information or the position;
- > To use the corporate goods and information or the position for personal gain;
- > To compete, directly or indirectly, with the Company.

If your own business interests or transactions appear to overlap with Sphera's business activities or interests, immediately notify your immediate superior or the Legal Department so that the matter can be analyzed and resolved.

Note: This concept of corporate opportunities and the above guidelines apply to non-employee members within the Company's Board of Directors only to the extent that the corporate or competitive opportunity arises as a result of or in the exercise of their capacity as administrator of Sphera or its Subsidiaries.

Sphera's expectations:

Disclosure of any investment, transaction or other personal business activity that may interfere or appears to interfere with Sphera's interests.

Report any team member who:

Invests in businesses or assets to which the Company may wish to participate in or which it may wish to purchase.

QUESTION	ANSWER
In the light of my job at Sphera, I learned of a new business development planned in the town where I grew up. I know I can acquire some adjacent real property quite cheap because most people do not expect any future development in that area. Can I buy the neighboring property while waiting for its value to increase after the new development is announced?	Because your personal purchase of the property is determined by information and opportunities related to Sphera's business, you should disclose the situation to the management or the Legal Department and obtain guidance before proceeding with any negotiations or transactions. It is unlikely that you will be allowed to purchase properties before the planned development is announced, since this would

mean taking personal advantage of an opportunity discovered due to your position within Sphera. If the transaction were to be approved, you should also disclose it in your annual Code of Conduct Questionnaire.

Conflicts of interest

A “conflict of interest” occurs when someone’s personal, social, financial or political activities or interests interfere or appear to interfere with their loyalty to the Company or their ability to make an impartial decision involving matters related to it. Conflicts of interest may also occur when an employee or technical manager (i.e. non-executive) or a close family member benefits or only appears to benefit from a trade agreement with Sphera.

Employees and technical managers (i.e. non-executive) of the Company must avoid or disclose and obtain prior approval if they have an actual or perceived conflict of interest.

Examples of potential conflicts of interest include:

- > Holding a share and/or a financial interest that is not insignificant with a Sphera competitor, supplier, sub-franchisee or other third-party doing business with Sphera;
- > Accepting any form of payment (e.g. services, cash, cash equivalents, such as gift cards) or gifts from a Sphera competitor, supplier or sub-franchisee or other third-party doing business with Sphera, without prior disclosure and approval from Sphera;
- > The fact that *close* family members work for the competition or for a supplier, sub-franchisee or other third-party doing business with Sphera, without prior disclosure and approval from Sphera;
- > The fact that you are part of the reporting chain of a Sphera employee who is also a *close* family member;
- > Holding outside Sphera a contractor or consultant role with a Sphera competitor, supplier or sub-franchisee or other third-party doing business with or on behalf of Sphera, without prior disclosure and approval from Sphera;
- > Engaging in personal business relationships with Sphera.

These examples relate to the employee, manager or their *close* family members.

A “**close family member**” includes: a) children, wife or life partner; b) children of the wife or of the life partner; and c) dependents of the employee/manager or of the wife or life partner. In matters of conflicts of interest, it is not your responsibility to find out about the activities of family members living elsewhere; in this case, you only need to concern yourself with the situations you know.

Applicability to directors and executive managers. As a result of the unique position and fiduciary duty of directors and executive managers, our conflicts of interest policy applies differently to the Board of Directors and executive managers and can be found [HERE](#). For the purpose of the Policy, a conflict of interest refers to a situation where a director or an executive manager has a business, professional or personal interest, directly or indirectly, which is actually or potentially in conflict with its duties towards the Company. It extends to cases where such person’s interests may reasonably be perceived to be in conflict with his/her duties towards the Company.

All directors and executive managers must ensure proper disclosure and assessment of actual or potential conflicts of interest that could reasonably be estimated or perceived to have an impact on their independence and judgment.

Upon identifying such actual or potential conflict of interest, the director must immediately inform the Legal Department of Sphera Franchise Group SA on said situation. The information and disclosure must be made at a certain point and with sufficient details in order to allow full analysis of the relevant facts and circumstances to enable a timely decision and resolution. No employee or director may accept payment (in any form) for the services rendered to the Company coming from any other source than the Company, without the prior approval of its Board of Directors.

Sphera's expectations:

- > To avoid situations that could generate or give the impression of a conflict of interest;
- > To disclose and seek prior approval of any situation that could lead to an actual or potential conflict of interest;
- > To collaborate with your immediate superior and the Legal Department in order to resolve any actual or potential conflict of interest.

Report any team member who:

- > Influences a Sphera decision (e.g. choosing a supplier) when it may have an interest in that outcome;
- > Uses Sphera time resources, equipment or materials to perform work duties for another employer;
- > Hires, promotes or directly supervises a close family member;
- > Offers and accepts gifts or entertaining under conditions where this may give the impression of bias or that he/she influences a business decision (see also "Gifts and entertaining" on page 13);
- > Directs the business towards suppliers owned or managed by close members of your or his/her family (see also "Working with suppliers" on page 15).

QUESTION	ANSWER
<p>I am a restaurant manager at one of the Sphera restaurants. My brother owns a small bakery focused on local sourcing and specialty pastries. He wants to hire me for a short-term project to do a detailed analysis of his finances and operations to see if I can help him make improvements and be more profitable. Is it OK if I do this in my spare time?</p>	<p>This would probably be allowed as it appears that the brother's business is not in direct competition to Sphera. However, there might be some questions in this regard, given that it is a restaurant business, so before you agree, you should definitely disclose this proposal to your immediate superior and the Legal Department, so that you get approval before engaging in that work.</p>

QUESTION	ANSWER
<p>I have established a relationship with a real estate investor owning a lot of business properties in my area. It also leases several of its properties to Sphera and Sphera sub-franchises and has asked me to consider investing in a new business it creates that will build and lease small street spaces to retailers. Can I invest?</p>	<p>Because this investor and developer does business with Sphera and its sub-franchisees, any business relation you have with it involves a potential conflict of interest. Depending on several factors, including job responsibilities and the connection between this new business and this investor/developer's other business investment, you may or may not be able to move forward with the investment. In any case, you must not make the investment without disclosing the situation to your immediate superior and the Legal Department and without receiving approval to do so, as well as without disclosing this in your Annual Code of Conduct Questionnaire.</p> <p>The rule also applies to people outside Sphera who obtain information from one of our employees (e.g. an employee's spouse, friend or broker, lawyers, accountants or other advisors). This means that you should never give people outside Sphera "tips" regarding important inside information; this includes online discussions in "chat rooms" or on social networks. Disclose significant inside information on Sphera or other companies only where and when necessary to carry out Sphera's legitimate business and if you are confident that the information will be handled appropriately after disclosure in the light of a non-disclosure agreement, professional obligations or other protective measures.</p>

Accurate financial reporting

The reporting and other financial information that Sphera presents to the public must be complete, accurate, current, easy to understand and free from misleading statements.

Any data or information submitted in connection with the drafting of our financial records, including matters relating to time and expense resources, purchase orders from suppliers, invoices, payroll records, inventory or safety reports, becomes part of the Company's records and therefore, must be correct and complete. You must comply with the applicable internal controls and accounting requirements when recording such data. You must also ensure that the supporting documentation (such as invoices, receipts, bank statements and signed documents) clearly justify the data entered into the Company's records.

Sphera's expectations:

- > Complying with all Sphera's accounting policies, the financial reporting standards applicable in Romania and the regulations of the Financial Supervisory Authority and of the Bucharest Stock Exchange for accounting and financial reporting;
- > Complying with Sphera's Procurement Policy to ensure that only authorized persons sign contracts and approve payments;
- > Correct and timely reporting of financial and non-financial information;
- > Accurate description of transactions in documentation and communications;
- > Keeping tasks separate and complying with appropriate controls;
- > Providing forecasts and fair assessments of operational results.

Report if you notice:

- > Records of transactions or submission of information that is false or misleading;
- > Artificially inflated sales, income or other performance data;
- > That accounting tricks are used to "arrange" earnings, to overestimate assets or income or to underestimate liabilities or expenses;
- > Activities favoring expenditure/income adjustments to influence current results so that next year's results are higher/lower;
- > That monetary accounts are created without being disclosed or registered;
- > That internal controls are being circumvented or ignored inappropriately.

For further details and guidance or in order to obtain copies of Sphera's Accounting Policies or Sphera's Procurement Policy and approval matrix, please contact Sphera's Finance Department or Sphera's Legal Department.

Protecting assets and confidential information

The loss, theft and misuse of the Company's assets have a direct impact on its business and profitability. Like its competition, Sphera's success depends on certain secret and confidential information that we all have a duty to protect.

You must protect and effectively use the Company's assets entrusted to you and avoid harming assets belonging to other persons (such as competitors, sub-franchisees or suppliers).

The term "assets" includes resources such as:

- > Physical assets, goods, inventories and records;
- > Financial assets, cash and cash equivalents;
- > Electronic assets, data networks, as well as computer systems and files, including e-mail system and computers or laptops assigned to individuals;
- > Intellectual property, trade secrets and patents;
- > Confidential and proprietary information, such as financial analyses, formulas and designs, and product recipes and ingredients.

In general, the Company's assets must not be appropriated or used for personal purposes, except to the extent that there is express authorization to do so (e.g., in the case of Company vehicles assigned to individuals or other distributed assets).

However, there may be rare situations where limited personal use is acceptable. When such situations arise, exercise discretion and common sense and discuss the matter with your immediate superior if you are in doubt about the appropriateness of use. All Company assets made available to employees must be returned upon request and in all cases where employment is terminated.



Particular care should be taken, and serious thought should be given to the electronic publication or transmission of Company data or information. Do not publish confidential or sensitive information on websites, blogs, social networks or using unapproved online file sharing and storage systems or similar places that could jeopardize the confidentiality of the information or create a risk of theft or of abusive use. Even e-mail or other apparently “secure” electronic communication channels may not be appropriate for particularly sensitive or valuable information. If you have any concerns about the secure transmission of sensitive information, please contact your local IT Department or the Security Department.

Sphera’s expectations:

- > Protecting the Company’s facilities and complying with the requirements regarding access based on individual identification;
- > Using the assets under our control, including raw materials and consumables, responsibly and protecting against theft, waste or misuse;
- > Exclusively using the websites authorized by the Company, as well as the approved methods of online collaboration or on electronic platforms with other persons;
- > Consulting with our technology experts on how to protect particularly valuable or sensitive information that we need to transmit or share electronically;
- > Complying with security guidelines designed to protect employees, facilities, informational and technological assets;
- > Changing computer and network passwords in accordance with our policies and standards;
- > Monitoring expense reports, payments to suppliers, account balances, ledger entries, payroll figures and budget changes to detect any unusual activity;
- > Identifying and protecting intellectual property against unauthorized disclosure or use;
- > Complying with the patents in force, copyrighted materials, exclusive data and other intellectual property rights of other persons;
- > Honoring non-disclosure agreements made with other persons.

Report if you notice:

- > Cases of unauthorized entry into secured premises or places;
- > Cases of theft, waste or misuse of the Company’s assets;
- > Cases of unauthorized use or disclosure of information protected under patents, copyrights or trademarks;
- > Unlicensed duplication of computer software for personal or business purposes;
- > The use of the Company computers or networks to send e-mails or access websites inappropriate for the workplace;
- > The use of confidential or exclusive information belonging to a former employer;
- > Sharing one supplier’s intellectual property with another supplier;
- > The appropriation of exclusive information by employees at the time of termination of the employment relationships with the Company.

QUESTION	ANSWER
When my friends come over to the restaurant, I usually give them some fries without taking money, but only a small side. It's nothing; is it OK?	No , offering a product for free in any quantity when unauthorized is a violation of the Company policy. Small material losses can result in a significant additional cost to us and our sub-franchisees when multiplied across the entire business.
QUESTION	ANSWER
A new employee in the new product development department has some suggestions based on formulas and products he/she created at his/her last job, claiming to be their creator. Is it OK if we use these ideas and formulas since he/she is now working for us?	Probably not. If the formulas are proprietary and confidential, they most likely belong to his/her former employer who paid him/her to develop them. You should consult with the Legal Department about what to do, which will likely mean avoiding use or disclosure of the formulas within Sphera.
QUESTION	ANSWER
I am experiencing some personal challenges at the moment and have to communicate occasionally at work with my lawyer and doctor about these issues. Am I allowed to use the Company's computer and e-mail for this?	Reasonable personal use of the Company's computer systems and e-mail is allowed. However, these systems are owned and controlled by Sphera. Therefore, please note that any electronic communications you send or receive using the Company resources are not necessarily private and, subject to the applicable law, may be retained, accessed or monitored by the Company. Thus, you should consider using your own systems and devices to send or receive confidential or sensitive communications such as those described above (see also "Protection of privacy and confidentiality" on page 29).

Records management

The Company records must be kept in accordance with the policies governing their creation, storage, maintenance, recovery and destruction. Note that the records can take many forms, such as:

- > Paper records;
- > Electronic records;
- > Images;
- > Drawings;
- > Videoclips;
- > Photos;
- > Audio recordings.



You must fully comply with the legal provisions for the protection of the document archive and the regulations for the retention of documents, according to the law.

Sphera's expectations:

- > To keep or dispose of documents in accordance with the regulations, rules and/or document retention policies, as applicable;
- > To keep the documents in a safe and secure environment;
- > When you dispose of documents in accordance with our policies, ensure that those containing confidential or personal information are completely destroyed;
- > When a legal archive protection provision has been issued in connection with a dispute or an investigation, ensure that it is fully complied with until its provisions are lifted.

Report any team member who:

- > Destroys or amends a document covered by a document retention notice in connection with an actual or potential dispute;
- > Keeps old files or documents after their retention period has expired;
- > Keeps records where they do not belong or where there may not be secure.



V. OUR COMMITMENT TO EMPLOYEES

Our commitment

Sphera and its Subsidiaries are committed to ensuring that employees are treated with respect and dignity, which includes a workplace free from discrimination, harassment, intimidation, illegal substances and unsafe conditions.

Equal opportunities

Attracting and retaining the best people and maintaining a diverse group of talented people is the ideal formula. Sphera recruits, hires, trains, pays, develops and promotes individuals based on merits and without regard to race, color, belief, religion, sex (including pregnancy, childbirth and medical conditions related to pregnancy, childbirth and breastfeeding), age, mental or physical disability, protected medical condition, physical impairment, genetic information, sexual orientation, gender identity, gender expression, sexual stereotypes, national origin, ancestry, nationality, social or ethnic origin, military or veteran status, civil status, citizenship status, political affiliation or any other status protected by law.

Sphera's expectations:

- > To make employment decisions based solely on a person's skills and merits, not on personal characteristics unrelated to the job;
- > To observe the religious needs of the persons and those of persons with disabilities;
- > To value diversity, inclusion and teamwork;
- > To be a good example and celebrate Company achievements as a team.

Report any team member who:

- > Judges peoples based on appearance, ethnicity, nationality or other factors unrelated to their skills or position;
- > Makes distinctions between persons based on wrong or illegal criteria when making decisions related to the employment relationship or work within Sphera.

Mutual respect and dignity

Mutual respect and dignity must always be present in interactions with colleagues. Any type of behavior that compromises trust, the quality of the work environment or the integrity of the decision-making process must be avoided. Sphera prohibits any conduct that harasses, disrupts, creates or otherwise contributes to an intimidating, hostile or offensive work environment.

Sphera's expectations:

- > To treat others as you would like to be treated;
- > To recognize and respect persons having different points of view;
- > To resolve misunderstandings or conflicts in a fair, civilised and constructive manner;
- > To maintain a professional working atmosphere.

Report if you notice:

- > Cases of unwanted or inappropriate sexual advances or harassment;
- > Inappropriate jokes, offensive comments, disparaging e-mails or indecent illustrations or photos;
- > Cases of *bullying*, threats, intimidation, favoritism, demeaning others, verbal or physical anger.

QUESTION	ANSWER
We have someone on our team with hearing impairment. He is a good and hardworking colleague. He can talk, but different from the rest of his colleagues. Some make fun of him. I find it embarrassing and counterproductive to teamwork. What should I do?	<p>The behavior described creates an unhealthy work environment which is unacceptable. You have several options. You could try talking to the people involved - often peer pressure can successfully resolve these issues.</p> <p>You could also report it to your immediate superior or to the Human Resources Department, who are trained to deal with such issues. In addition, the Speak Up Integrity is available to raise any concerns.</p>

Fair practices in matters of employee rights

Fair practices in matters of employee rights help do more than just bring Sphera in compliance with the applicable law in the field of labor and employment.

They help us attract and keep the best talents in our teams. Sphera must comply with the labor legislation.

Sphera's expectations:

- > To check eligibility for employment of employees;
- > To carry out labor relations in accordance with the legislation in force.

Report any team member who:

- > Employs persons based on false records or without supporting documents regarding eligibility for employment;
- > Forces employees to bargain collectively or interferes with their ability to do so;
- > Does not comply with the regulations in force regarding the performance of the individual employment contract;
- > Uses illegal child labor or forced labor (debt servitude, forced labor or forced labor of prisoners);
- > Withholds an employee's original identity document, passport or work permit without written consent;
- > Provides within the employment contracts recruitment fees or excessive penalties for termination of the employment contract;
- > Restricts access to toilets, drinking water or buildings exits.



Employee health and safety

Sphera is committed to providing safe and healthy work environments for all employees. Workplace accidents and illnesses can often be prevented. No activity is so important that it cannot be done safely, and we will not compromise the safety of a person in any activity. This means we are committed to designing, building, maintaining and operating facilities that protect our people. Threats, bullying, physical intimidation and violence have no place at Sphera and will not be tolerated.

Sphera's expectations:

- > To comply with all applicable laws, regulations and safety policies and to encourage others around you to do the same;
- > To ensure that proper maintenance is carried out in respect of buildings, machinery and equipment;
- > To keep appropriate first aid supplies to deal with common workplace injuries;
- > To notify the management immediately of any accident, injury, illness, unsafe situation or threat of violence.

Report if you notice unsafe activities or conditions, such as:

- > Disabling or removing safety controls or protection of equipment and machinery;
- > Blocked exits in case of fire or emergency;
- > Exposed or unsafe cables;
- > Staff use of equipment (e.g., cooking equipment) contrary to Company standards;
- > Works on electrical or electrically powered equipment without following safety procedures;
- > Exposure to infectious diseases;
- > Inadequate regulation of ventilation, lighting or temperature;
- > Physical threats, bullying, intimidation, harassment or violence.

QUESTION	ANSWER
A co-worker accidentally cut the protective covering of an electrical wire on a refrigerator in our restaurant. He fixed it by putting on some black duct tape. I know that person is not an electrician, and I am concerned that this situation could be a problem, especially if there were any liquid spills on the floor. What should I do?	Inform your immediate superior of this situation. Sphera is committed to providing a safe workplace for everyone, which includes properly repairing any damaged equipment. Keep in mind that good protection trumps bad danger, so you shouldn't be afraid to report a problem even if you are not sure it is a real problem. If you are unable to discuss your safety concerns locally, please use the anonymous whistleblowing hotline (the Speak Up Line).



Substance abuse

A safe and healthy work environment means that employees do not work while impaired or distracted by drugs, alcohol or other substances. More specifically:

- > You are forbidden from possessing and using prohibited and/or psychotropic substances or related contraband products (such as drug pipes) on Sphera premises or while conducting business for Sphera;
- > It is forbidden to consume any prohibited and/or psychotropic substances, alcohol and then, shortly after, report to work considering that you are physically and mentally fit to fulfill your work responsibilities;
- > It is forbidden to work and consume alcohol, drugs, other narcotic substances, narcotic drugs or any other substance that could prevent you from carrying out your work safely and effectively.

In addition, illegal actions made by employees involving the use of drugs, narcotic substances, narcotic drugs, alcohol or other substances outside of the workplace may harm Sphera's reputation and lead to disciplinary action.

Employees suffering from a substance abuse problem are encouraged to recognize the problem during occupational health checks.

Sphera's expectations:

- > To work without being under the harmful influence of drugs or alcohol;
- > To not bring drugs or drug-related accessories to the workplace;
- > To get help should one have a drug or alcohol problem.

Report if you notice:

- > Employees working under the harmful influence of alcohol or drugs;
- > Employees possessing, consuming or distributing drugs or other substances on the Company premises.

Protection of privacy and confidentiality

Sphera believes in complying with the privacy of personal information of our employees and customers. Personal information is information that can be used (alone or in combination with other information) to uniquely identify an individual. There is variation across jurisdictions as to the exact definition, but personal information often includes identification numbers, full dates of birth and bank account numbers. Access to personal information should be limited to Company staff having appropriate authorization and a clear business need for said information. Employees having access to personal information must use it properly and treat it on a confidential basis and comply with all applicable laws and policies. Please note that there may be legal restrictions on moving or transferring personal information outside a country – you should always seek advice from the Legal Department and/or Data Protection Officer before doing so. Never provide personal information of employees to anyone outside of Sphera without proper authorization to do so. Personal data and information or personal electronic communications created or stored by employees on Sphera computers or other electronic devices, such as mobile devices, including the personal device (if you use it to access the Sphera e-mail or data), should not be considered private. Please keep this in mind and be careful when using the Company's electronic devices.

**Sphera's expectations:**

- > To collect, process and use sensitive personal information only for legitimate purposes;
- > To use anonymous, partial or substitute data whenever possible (e.g., Company-issued identification numbers instead of social security numbers);
- > To use encrypted files and devices to store and transmit personal information to prevent unauthorized access.

Report any team member who:

- > Leaves data storage devices or shares personal data with third parties, such as providers, who are not expressly authorized to hold such data or who do not hold proper guarantees or restrictions on their use;
- > Transfers personal information between countries without complying with the applicable legal requirements.

Fight against corruption

Corruption and bribery are very serious matters and are often a violation of the law. Corruption is bad for business because it hinders investment, undermines economic growth and reduces market opportunities.

When public administration can be "bought", this destroys public trust and robs people and businesses of the chance of an open market and fair competition. Sphera is committed to preventing bribery in its activity and to avoid the perception that it may offer bribes to gain a business advantage.

Therefore, employees are strictly prohibited from giving anything of value to public officials for the purpose of improperly obtaining or maintaining businesses, for the purpose of influencing the performance of official duties, or for any other purpose or improper commercial benefit.

Employees are also forbidden from asking anyone else, whether an agent or a third-party, to make any payment or action that would be inappropriate to be made directly by Sphera.

Please note that "public officials" covered by many anti-bribery laws can include members of a political party, relatives of government officials, and employees of state-owned undertakings.

In addition, Sphera also forbids private corruption, so these rules apply not only to our interactions with public officials, but also to our interactions with customers and trade suppliers. Sphera has issued a supplement to this Code – [Sphera's Anti-Corruption Policy](#) – with more detailed guidance on avoiding activities that could be classified as bribery or corruption. This supplement is attached to this Code in the form of Annex A, for simplicity. All Sphera employees are expected to comply with this Policy.

Sphera's expectations:

- > To not pay bribes. Before providing gifts and entertaining to a representative of a company with which Sphera already does or may do business, or reimbursing the representative's travel expenses, please ensure that you understand and comply with the applicable legal requirements and our rules and policies (see also "Gifts and entertaining" on page 13 and [Sphera's Anti-Corruption Policy](#));
- > To keep complete and accurate documentation of the purpose and cost of interactions with public officials – improperly entering otherwise legal expenses into the Company's records, for example, may violate anti-bribery laws;

- > To not give gratuities or other payments to public officials to expedite a routine administrative action (also known as “facilitation” payments), unless express approval is obtained in advance through the process described in Sphera’s Anti-corruption Policy;
- > To ensure that necessary due diligence is carried out on agents and third parties interacting with public officials on behalf of Sphera.

Report if you notice:

- > Offering undue payments (in cash or in the form of anything else of value) to a public official, a representative of another company or any related natural or legal person;
- > The informal establishment of a secret fund, for any purpose;
- > The permission provided to an agent or representative of Sphera to violate internal standards in order to obtain or facilitate businesses on behalf of Sphera;
- > Disregarding evidence that an agent or representative of Sphera has violated internal standards to obtain or facilitate businesses on behalf of Sphera;
- > Inaccurate descriptions of any transaction involving a government official, including authorized transactions.

Red flags:

The following situations may give rise to corruption risks. Always involve the Legal Department for:

- > Situations where general information about existing or potential third-party representatives, agents, sub-franchisees or suppliers indicate:
 - Allegations of improper business practices;
 - Reputation for giving or taking bribes;
 - A family relationship or other relationship that could improperly influence the decision of a customer or public official.
- > Any request to receive a commission or a personal fee before granting a planning permit or amendment;
- > Any suggestion to direct the business to a particular representative, partner or supplier due to a “special relationship”;
- > Any request to make a payment in a country or to a party unrelated to the transaction;
- > Donations to charitable organizations run or supported by public officials or their families;
- > When it is proposed to purchase or lease properties owned by public official or their families.

QUESTION

ANSWER

I was told that I can hire a consultant to handle getting all permits we need from a public administration to open new restaurants. He requested an upfront fee of EUR 25,000 and said that he would use the money to “speed up the process”. Since we do not know exactly what this means, should we be worried?

Definitely. You need to know where that money goes and for what purpose is it used. Furthermore, Sphera must take steps to ensure that this money is not used as a bribe. Seek advice from the Legal Department.

Community and political involvement

Sphera believes in making a contribution to the society and encourages employees to put their talents and free time to the benefit of the communities they are a part of. However, you must not use Company resources (money, food, transportation, manpower, etc.) or Sphera name when engaging in political activities without first obtaining permission to do so from the management. The legislation in some countries allows businesses to make political contributions or lobby for public political decisions. However, even in these countries, the legal and reputational implications can be serious. In rare cases, charitable or political contributions may create the impression that the contributor is trying to gain undue favors or influence. To make sure this does not happen, please provide all relevant information with any contribution approval request. This also includes information on requesting or suggesting a contribution by a company or person with whom Sphera does or may do business or a public official (see also the section on Fight against corruption on page 30).

Sphera's expectations:

- > To get involved in appropriate civic or charitable organizations as a civilian and not as an employee;
- > To obtain the relevant authorization before interacting with any public official on behalf of the Company;
- > To ensure that any charitable contribution from Sphera has the appropriate internal authorization and is accurately entered in Sphera's records.

Report if you notice:

- > That some colleagues must make various political or charitable contributions;
- > That various political contributions are made on behalf of Sphera;
- > That the Company's time, goods and resources are used for political, religious or other activities;
- > That someone gives the impression that their activities are authorized or approved by Sphera;
- > Any attempt to influence or lobby for legislative, administrative or political action on behalf of the Company, without the involvement of the executive management.

QUESTION	ANSWER
I am running for the local school board. Can I use the office copy machine to make copies of my campaign flyers?	While the interest in your local school board is commendable, you may not use Company resources for political purposes. Running for public office, even school board membership, is considered a political goal.

Accurate communication and disclosure of information

Investors, customers, suppliers, government agencies and communities depend on the honesty and accuracy of our communications. Each of us is responsible for communicating externally directly and honestly. Rigor and transparency in our presentations of results (whether good or bad) build credibility and trust with external audiences. We are also committed to cooperating with governments and agencies in their investigations and complying with valid requests for documents and information in legal proceedings. Due to the nature of our business and the importance of our brands, Sphera employees may be asked by members of the press or public users of social media channels, bloggers or other third-party groups/organizations to comment



on a variety of public and social policy issues as representatives of the Company. In addition, Sphera employees may be asked to comment on the Company's business strategies or results.

Never comment on or provide information regarding the Company's strategy or results at any time to the press, bloggers or third-party groups/organizations or social media channels, and immediately refer to all requests for information to your immediate superior and the Communications Department.

You must also avoid giving the impression that you are speaking as representatives of Sphera or the brands beyond the scope of your professional responsibilities. Sometimes this means making it clear that the comments are strictly personal and must not be attributed to the Company. If you choose to identify yourself as a Sphera employee on social media websites, be sure to inform the public that the statements are strictly personal and are not from or on behalf of the Company. In addition, exercise discretion and ensure that your activities and statements are consistent with Sphera's social media standards. Our mandatory social media engagement rules (Authenticity, Accountability and Respect) are designed to protect and defend our employees, the reputation of our brands and the trust of our customers and stakeholders.

Sphera's expectations:

- > From the position of a company listed on the stock exchange, Sphera aims to effectively manage reputation and relationships on social networks and in the media community, with clear rules of engagement that help us build long-term brand loyalty and trust. Please consult the Communications Department regarding means of social communication which involve rules and requirements for press relations and social media engagement for Sphera employees.
- > For press and similar information requests related to KFC, Pizza Hut/Pizza Hut Delivery, Taco Bell, direct callers to the Communications Department;
- > Never make public comments or share information on behalf of the Company without authorization. This includes answering to questions from the press, bloggers or third-party groups/organizations.
- > If you choose to identify yourself as a Sphera employee on social media websites, be sure to inform the public that the statements are strictly personal and are not from or on behalf of the Company. In addition, exercise discretion and ensure that your activities and statements are consistent with Sphera's social media standards. Our mandatory social media engagement rules (Authenticity, Accountability and Respect) are designed to protect and defend our employees, the reputation of our brands and the trust of our customers and stakeholders.

Report if you notice:

- > A person misleading an investigator or other public official or a regulatory authority;
- > Attempts to obstruct the lawful collection of information by authorized public officials. Consult the Legal Department;
- > That information is provided to the press, bloggers or other third-party organizations or on social media channels without following internal procedures;
- > Websites or posts on behalf of Sphera or its brands without proper authorization. Statements made online and on social media channels are also included, such as tweets, comments and answers on behalf of the Company. Provide true and complete information when interacting with public regulations and investigators or when testifying. Consult with the Legal Department before doing so.

VI. THE RESOURCES TO MAKE THE RIGHT CHOICES

How to identify an ethical dilemma

Before making a decision or implementing a policy, consider its ethical dimensions by asking yourself:

- > Is this the right measure?
- > Who could be affected by this decision?
- > Would I want someone else to make the same decision if our roles were reversed?
- > Is this in accordance with the letter and spirit of the law?
- > Would I make a different choice if I focused on long-term gains instead of short-term ones?
- > Is my judgment free from any conflict of interest or do I have a personal stake in the outcome that makes me less objective?
- > Would counseling or additional expertise help?
- > Would I feel comfortable explaining my decision to family or a skeptical reporter if it were made public?

When to ask for help

Always seek advice when it is not clear what needs to be done. For example, when:

- > You are not sure how to apply Sphera's policies in case of a particular situation;
- > Relevant laws or requirements are complex and difficult to interpret;
- > You have limited experience on the subject;
- > Different opinions make the correct answer unclear;
- > The proposed measure or decision makes you uncomfortable;
- > You have a conflict of interest.

You must also report any possible or suspected violations of the law, regulations or policy, including the policies set forth in this Code of Conduct.

This includes the situations where you know or suspect that any of the following parties have been – or will be – involved in illegal or unethical activities:

- > Sphera employees or managers;
- > Agents or third parties acting on behalf of Sphera;
- > Suppliers or sub-franchisees;
- > Partners of a joint venture.

Where to ask for help

There are multiple options available to ensure that your questions or concerns are properly addressed. While you should choose the channel you feel most comfortable with, it is usually best to start with your immediate superior or manager.

You can also ask questions or raise concern at higher levels of the hierarchy (i.e. to your immediate superior and so on) or to a dedicated resource, as outlined below:

Examples of topics	Resources to consider
Employment, discrimination, harassment, favoritism, wages, working hours, interpersonal disputes	Human Resources
Occupational safety, hazardous materials, protective equipment, equipment handling	Human Resources
Emissions in the environment, authorizations	Authorizations
Product quality, consumer protection	Quality Assurance (QA)
Import, export, international sanctions	The Legal Department
Financial reporting, accounting, tax reporting, books and records	The Finance Department/Internal Audit
Local legal requirements, contract interpretations, disputes, preservation of documents	The Legal Department
Requirements and interpretations of the Code of Conduct, including conflicts of interest, fraud, corruption, gifts and entertaining	The Legal Department

In addition, the Company has adopted certain policies which are available by accessing the [Corporate Governance Policies](#) and [Sustainability Policies](#).

Sphera's Integrity Line – *Speak up!*



If you want to report a situation while maintaining your confidentiality and anonymity and/or you have used other communication channels that have proven ineffective, you can call the *Speak Up!* integrity line.

This communication channel is permanently available, 24/7, at the dedicated phone number 0373.76.02.74, and is managed by a call center service provider that ensures the strict confidentiality and anonymity of callers.



How does Sphera's Integrity line *Speak Up!* work

The *Speak Up!* Integrity line is permanently available, 24/7, for Sphera employees.

The Integrity line offers the following:

- > **Specialized assistance.** The *Speak Up!* line is managed by an external service provider, specialized in answering calls in a professional manner. Calls will be picked up by an agent trained to handle them properly.
- > **Anonymity.** If you call the *Speak Up!* line, you have the option to remain anonymous. If you choose to remain anonymous, it is important to provide as many details as possible about the situation and to regularly check its progress as there are requests for information from the team assigned to investigate the issue at hand. You will be assigned a unique case number so you can remain anonymous, but also keep in touch in the future, as needed.
- > **Privacy.** If you choose to identify yourself when using the *Speak Up!* line, the Company will strive to keep your identity strictly confidential, sharing it only on a need-to-know basis with those dealing directly with the case. We take privacy very seriously and will maintain it to the extent possible, consistent with the best interests of the employees involved and our obligations under the law. However, please note that providing your name allows us to contact you if we need further information, which facilitates a thorough investigation.
- > **Responsiveness.** When a concern is raised via the *Speak Up!* line, we treat it responsibly and act on it. Investigations are conducted in accordance with Sphera policies and in consultation with the Legal Department.

Investigations

If you call the *Speak Up!* line, you have the option to remain anonymous. If you choose to remain so, it is important to provide as many details as possible about the situation and to check in regularly if there are requests for information from the team assigned to investigate the issue at hand. You will be assigned a unique case number so you can remain anonymous, but also keep in touch in the future, as needed.

Details of an investigation sometimes need to remain confidential to protect individuals, preserve evidence, prevent a cover-up, or otherwise ensure that the investigation is conducted effectively. If you are required to keep the confidentiality of the information you have about an investigation, you must comply with this provision.

Sphera employees are expected to fully cooperate in an investigation and to disclose any relevant information fully and honestly.

Employees intervening in an investigation or providing false information in the course of it may be subject to disciplinary action.

Sphera maintains policies and procedures to be followed in conducting investigations, including designating appropriate internal investigation teams and notifying the management.

In the event of certain complaints or allegations, Sphera Franchise Group's Legal Director must be notified immediately (legal@spheragroup.com).

These complaints or allegations of possible violations of our Code of Conduct include complaints or allegations involving the following:

- > Any violation of the Code of Conduct involving a senior employee;
- > Any risk of criminal investigation or civil or criminal sanctions;
- > Fraud;
- > Theft (except fraud in the unit with values below EUR 1,000, which can be handled by the local team);
- > Conflicts of interest;
- > Financial irregularities (including key performance indicators such as premium handling);
- > The abusive use of privileged information;
- > Possible reputational risk for the brand/Company.

The Legal Director will determine the investigation team based on the alleged violation.

Non-retaliation Policy

As employees of Sphera, you must report potential violations of this Code. An employee who, in good faith, seeks advice, raises a concern or reports a misconduct is doing the right thing. Sphera establishes rules to prevent retaliation against anyone who, in good faith, reports a concern or participates in an investigation, even if that allegation is ultimately unfounded.

Any person, regardless of position or term of office, who is found to have engaged in retaliatory conduct against another person who raised, in good faith, a compliance or ethics concern will be subject to disciplinary action, which can go until the termination of the contract. If you feel you have been retaliated against, call the *Speak Up!* line or contact any management member for assistance.

Please note that our anti-retaliation policy does not exempt you from disciplinary action if you have engaged in inappropriate behavior. However, Sphera encourages managers and employees to self-report their violations and, depending on the specific circumstances, may treat self-reporting as a mitigating factor when assessing the nature of disciplinary action to be taken.

The Protection of Persons reporting Law Violations

The Company adheres to the principles of Directive (EU) 2019/1937 on the protection of persons reporting on breaches of Union law transposed in Romania by Law no. 361/2022 on the protection of whistleblowers in public interest ("the Whistleblower Act"). For US Food Network S.r.l. – KFC Italy and US Food Network S.R.L.– KFC Moldova subsidiaries, the provisions of the national laws of each country shall apply.

The Company encourages whistleblowing when information on breaches has been obtained in a professional context by employees, as well as persons in the following areas:

- a) Shareholders and members of the administrative department, the management or supervisory body of an undertaking, including non-executive members, as well as volunteers and trainees, whether paid or not;
- b) Anyone working under the supervision and direction of contractors, subcontractors and suppliers;
- c) Whistleblowers if they report or publicly disclose information on breaches obtained during an employment relationship that has since ended;
- d) Whistleblowers whose employment relationship has not yet begun, if the information on the breaches is obtained during the recruitment process or other pre-contractual negotiations;



- e) Persons reporting law violations anonymously.

Two whistleblowing methods can be used:

- a) Internal whistleblowing: the Company Speak Up! Integrity Line;
- b) External whistleblowing: external whistleblowing channels are represented by the authorities referred to in art. 3(15) of the Whistleblower Act – mainly the National Integrity Agency, as well as other competent authorities.

The *Speak Up! Integrity Line* is available to all employees of both the Company and its subsidiaries whenever violations of the law are discovered, in a professional context. This communication channel is available 24/7, and is managed by a call center service provider that ensures callers' strict confidentiality and anonymity.

The Company shall always ensure the protection measures disposed by the Whistleblower Act, provided that the whistleblower cumulatively meets the following requirements, and the retaliation suffered is the result of such whistleblowing:

- a) He/she shall be a whistleblower in accordance with the provisions of art. 2(1) of the Whistleblower Act and has obtained information on law violations in a professional context;
- b) He/she shall have had good reason to believe that the information on the reported violations was true at the time of the whistleblowing;
- c) He/she shall have carried out internal whistleblowing, external whistleblowing or public disclosure.

Measures designed to protect whistleblowers shall also apply, where relevant, to: (a) facilitators; (b) third parties with ties to whistleblowers who may suffer retaliation in a professional context, such as colleagues or relatives of such whistleblowers; (c) legal entities held by whistleblowers, for which such persons work or with whom they have other types of ties in a professional context; (d) persons who have reported anonymously but have subsequently been identified and have suffered retaliation; and (e) persons reporting to competent institutions, bodies, offices or agencies of the European Union.

Internal whistleblowing procedures shall include the following:

- a) Whistleblowing channels that are designed, established and safely managed so as to protect confidentiality in terms of the identity of the whistleblower and any third parties mentioned in the report and to prevent unauthorised staff members' access to it;
- b) The confirmation of receipt of the report, addressed to the whistleblower within a maximum of seven calendar days from its receipt;
- c) The designation of an impartial person or department, responsible for taking follow-up actions subsequent to the whistleblowing, that may be the same person or department as the one receiving the reports and that will maintain communication with the whistleblower and, where appropriate, request additional information from the latter and provide the latter with feedback;
- d) The diligent taking of follow-up actions by the designated person or department referred to in point (c);
- e) A reasonable period of time to submit feedback, which shall not exceed three months from the confirmation of the receipt or, if the receipt of the report has not been notified to him/her, from the expiry of the 7-day period referred to in point (b) above, as well as

thereafter, whenever there are any developments in the implementation of the follow-up actions, unless such information jeopardizes their implementation;

- f) The provision of clear and easily accessible information on the procedures of external whistleblowing to competent authorities and, where appropriate, to Union institutions, bodies, offices or agencies;
- g) Information on how to resolve the report.

Information on violations of the law may be made available, in any way, in the public space through public disclosure. The report on the violation of the law through public disclosure may be addressed to the press, to professional, trade union or employers' organizations, to non-governmental organizations or parliamentary committees or by making the information on the violations of the law available in any way in the public space. One can benefit from protection when making a public disclosure if one meets one of the following conditions:

- a) One has first reported internally and externally or directly externally, according to chapters III and IV, but believes that no appropriate measures have been taken within the deadline stipulated in art. 17(6) of the Whistleblower Act;
- b) One has good reason to believe that:
 - 1. The violation may constitute imminent or obvious danger to the public interest or may pose the risk of damage which can no longer be remedied; or
 - 2. In the case of external whistleblowing, there is a risk of retaliation or a low probability of the violation being effectively remedied considering the specific circumstances of the report.

The Company shall ensure that the whistleblower's identity is not disclosed to anyone, without such person's explicit consent, apart from authorized staff members who are entitled to receive reports or to take follow-up actions. This shall also apply to any other information which allows the whistleblower's identity to be inferred either directly or indirectly. All personal data processing carried out under the Whistleblower Act, including the exchange or transmission of personal data by competent authorities, shall be carried out in accordance with Regulation (EU) 2016/679, Law no. 363/2018, as well as the provisions of Regulation (EU) 2018/1725. Personal data that are not required for the resolution of a particular report shall not be collected or, if accidentally collected, shall be deleted.

In the event of whistleblowing, the Company shall take all necessary steps to prohibit any form of retaliation, including threats and attempts at retaliation, and, in particular, retaliation such as, including, but not limited to: suspension, technical unemployment, dismissal or equivalent measures, demotion or blocking of promotion, transfer of duties, changes in job location, pay cuts, changes in working hours, coercion, intimidation, harassment or ostracism, discrimination, disadvantage or unfair treatment. According to art. 26 of the Whistleblower Act, at the request of the whistleblower undergoing disciplinary investigation as a result of the whistleblowing, the press and a representative of the employees shall be invited. The announcement shall be made through a release on the Company website at least three working days before the meeting, under penalty of invalidation of the report and of the disciplinary sanction applied.