

MERAXIS

ANTI-CORRUPTION GUIDELINES

1. Validity

- 1.1 The following anti-corruption guidelines explain the principles contained in the Code of Conduct for interacting with business partners and decision-makers in more detail.
- 1.2 The principles included here apply throughout the Group without exception. Any more restrictive local legal regulations however take precedence in each case.
- 1.3 With regard to compliance and namely to the consequences of non compliance the respective rules contained in the Code of Conduct shall apply.

2. Corruption

2.1 What is corruption?

We consider corruption to be:

- Offering, promising or granting undue benefits* to a public official** for a duty that has already been carried out, or a future irregular or arbitrary duty, or generally for the irregular performance of a duty;
- Offering, promising or granting undue, inappropriate benefits to employees or representatives of a corporation in order to obtain preference in commercial practice;
- Requesting or accepting undue, inappropriate benefits from third parties in order to obtain preference from this third party or another person in the course of trade.

* The term benefit can in principle describe any economic, legal or personal favour, i.e. not only monetary payments, but also other benefits, such as:

- Goods for personal consumption, e.g. luxury goods, gourmet food
- Hospitality
- Providing privileges such as access rights, memberships
- Supporting the professional advancement of family members for job openings, etc.

** Directors, officers and employees of entities and companies under public ownership or control such as local public transportation companies, health care establishments and the like are also considered to be officials.

2.2 How can I tell where the grey area starts?

The following criteria help us to identify the grey area between benefits that are permitted and taboo corruption:

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- Is there any intention to influence a person in its decisions and is the advantage or gratuity suitable to do this? Must I reasonably expect knowing the circumstances that the advantage or gratuity I am offering will cause my counterpart to conduct improperly? If I receive the benefit: will I still be able to make completely objective decisions, will I be able to consider objectively that I have not been influenced in my decisions? Is there a risk that an interdependency will be created? As soon as there is a risk that by providing a benefit a dependency will exist or decisions will be influenced, the limits of what is permitted have been exceeded. As soon as an advantage or gratuity coincides (in terms of timing) with a specific business transaction, it is quickly assumed that the intention of the benefit is to influence the recipient.
- Is the advantage or gratuity appropriate for the specific circumstances and within the limits of usual business practice? If the answer to this question is no, the limits of what is permitted have been exceeded. The line manager is to be involved in the case of doubt.
- Is there evidence of unusual circumstances such as incorrect accounting, bogus deals such as payment of commission for fictitious services, obscure transactions? All of this evidence is to be taken seriously and investigated with the involvement of the line manager and LEGAL where necessary.
- If gifts or invitations are sent to a private address, this is a strong indication of corruption. It is therefore not permitted to send gifts or invitations to a private address. If we ourselves receive gifts or invitations to a private address, these are to be refused and the incident is to be reported to the line manager immediately.

Where the following refers to usual business practice, applicable legal regulations remain reserved in each case. The existence of frequent incidences of illegal gratuities in practice can under no circumstances provide justification to do likewise.

2.3 Can I ignore what our representatives do?

No, indirect corruption through the involvement of intermediaries or providing gratuities to third parties in order to avoid direct payment to the contact involved is also taboo.

If third parties are involved for the purpose of obtaining or execution of an order, so-called intermediaries, the person responsible for the specific business transaction must prevent the following in the interest of minimising the risk of corruption:

- The documented investigation of the intermediary appropriate for the circumstances, so-called due diligence.
- Informing the intermediary about our anti-corruption principles.
- Contractual commitment of the intermediary to comply with our anti-corruption principles.

Intermediaries should generally be remunerated according to the actual expense incurred.

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Requests from intermediaries for commission or success fees are generally to be viewed as critical and can only be accepted in exceptional cases with solid justification. Unlike sales agents independent resellers are not considered to be intermediaries.

The same principle applies for using consultants.

3. Personal gifts

- 3.1** Promotional gifts of low value such as inexpensive stationery items and pencils are definitely not a problem.
- 3.2** Both the giving and receiving of cash gifts or gifts that are equivalent to cash, such as personal discounts or vouchers, are not permitted.
- 3.3** Beyond this, accepting or giving gifts is permitted if all of the following conditions are fulfilled:
 - a) The gifts are within the limits of usual business practice with respect to the occasion and the person of the recipient and can be justified (e.g. courtesy gestures, anniversaries, thanks for special efforts regarding the execution of a contract, Christmas gifts).
 - b) The gift is neither determined nor suitable to influence the conduct or business decisions of the recipient of the gift or to gradually draw the recipient into a relationship of dependence (so-called "sweetening"). General maintenance of the business relationship may be associated with small courtesies, but great care is to be taken as soon as gifts coincide with a specific business transaction in terms of timing or content.
 - c) The value of the gift must be perceived objectively as appropriate in terms of the occasion of the gift, the location and the person. A gift for a personal anniversary can tend to be higher in value than a small gift brought to a negotiation meeting.
 - d) An upper value limit of €100 applies for gifts, but always however under the additional condition that the other general conditions listed here are met in addition: A maximum of three gifts per year per recipient, regardless of value, is permitted. Higher value gifts require the approval of the GL. The above value limit may be lower in some regions or countries for tax or other reasons.
 - e) Gifts paid by MERAXIS are to be properly entered into the books.
- 3.4** Gifts to public officials are however - except for articles of a low value - generally not permitted.
- 3.5** Allowances in the sales offices, e.g. premiums for achieving certain sales targets or as part of bonus systems, are generally not permitted if such premiums are objects for personal use and are received by specific persons instead of the company. Those responsible involve LEGAL to review such actions and systems in each case.
- 3.6** The same rules generally apply for personal gifts as part of a personal relationship with business partners. Friendly or family relationships with business partners are to be declared

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to the line manager, so that a decision can be made concerning the handling of possible conflicts of interest.

3.7 In order to not to cause trouble for the business partner when offering gifts to him, we comply with known internal guidelines and value limits of the business partner's company that are possibly more restrictive than the usual practice. Customers are increasingly forcing us to accept contractual terms obliging us to adhere to such internal guidelines of the customer.

3.8 In addition see also Section 5 on accepting gifts.

4. Hospitality and entertainment

4.1 Hospitality to cover basic human needs, e.g. drinks, snacks, catering service, canteen food during meetings, on the occasion of visits and negotiations at the company's site is not a problem. This also applies for eating at a restaurant, if a meal break appears normal due to the duration of the business activity and if the expenditure for the business lunch is kept within usual limits.

4.2 Beyond this, offers of hospitality and entertainment can be made or accepted, if all of the following conditions are fulfilled:

- a) The invitation is voluntary.
- b) The hospitality or entertainment is appropriate in terms of type, location and cost for the specific circumstances and, in particular, in terms of MERAXIS' reputation.
- c) The hospitality or entertainment is in line with normal business practice. Costs for travel and overnight accommodation are usually borne by the travellers themselves. Exceptionally the invitation may include overnight accommodation or even travel expenses, if the reason is purely, if the event is purely business-related or entertainment / hospitality is just marginal and if the business purpose of the event make this appear normal or even necessary or, in the case of exceptions as per Section 4.3 hereto; this may namely apply to, training events lasting several days. The higher the entertaining contents and the more exclusive the nature of the event, the more critically it is to be considered.
- d) The invitation is neither determined nor suitable to influence the conduct or business decisions of the recipients of the hospitality offer or to gradually draw them into a relationship of dependence (so-called "sweetening"). The invitation to a recurring company event as part as general maintenance of the customer relationship or celebrating an anniversary for all customers tends not to be a problem, an invitation sent specifically to individuals or a few people is to be rejected especially if it coincides with a specific business transaction in terms of timing or content.
- e) An upper value limit of € 200 per person applies for offering hospitality and entertainment, but always however provided that all of the other general conditions

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listed above are fulfilled. In the case of highly demanding or multi-day seminars /training, this value can be increased to € 400 per person. The value limits according to Section 5 apply for accepting invitations.

f) Costs are to be properly entered into the books.

4.3 The limit values according to Section. 4.2, may exceptionally be exceeded under special circumstances, if the following conditions are fulfilled:

a) The invitation is addressed to the owner of the company, the sole shareholder or director of the company or persons below this level, if the owner of the company, the sole shareholder or director of the company has expressly approved the attendance of those invited and this has been documented.

b) The event is taking place as part of an ongoing business relationship. In exceptions, with the approval of the departmental manager or market territory manager, it may also be allowed to invite persons with whom there is no ongoing business relationship, if this person is the owner of the company, the sole shareholder or director of the company and all of the other conditions of these guidelines are fulfilled.

4.4 When dealing with public officials only ordinary business lunches within allowed usual practice are permitted as a maximum.

4.5 Hospitality or entertainment we are offering may only exceptionally and only if the conditions mentioned under Section 4.3 are met, include partners of those invited.

4.6 When accepting invitations we have to observe the rules under Section 5 in addition to the conditions as per Section 4.2.

5. Additional rules for accepting gifts, hospitality and entertainment offers

5.1 Generally an upper value limit of € 100 applies for accepting gifts, otherwise these have to be rejected or returned. Where this is not possible, the further course of action must be discussed with the line manager. If the gifts, in particular Christmas gifts, are within the limits of what is permitted by these guidelines, the following also apply for using the gifts:

- Perishable goods (e.g. pastries, cookies) are to be shared in the departments between the team.
- Office supplies (e.g. pens, pads) are, if not used by yourself, to be placed in the office material store.
- Any other gifts (e.g. alcoholic drinks, electronic products, various consumables, etc.) are to be distributed and given out to the staff, e.g. as part of a raffle.

5.2 We do not regularly accept repeat invitations from a business partner to events that are purely or mainly for pleasure.

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- 5.3** We do not accept invitations that include the partner of the person invited.
- 5.4** If we are invited to an event by a business partner, at least one employee from the business partner must be present in each case. The value of the non-monetary benefit must not exceed €150, and we additionally comply with the following rules:
- a) We only accept invitations to a meal from suppliers in connection with business meetings.
 - b) Accepting invitations to other events generally requires the prior approval of the line manager. Events must serve a justified business purpose such as developing or extending your own know-how and / or maintaining the business relationship in MERAXIS' interest.
 - c) It is not permitted for the business partner to pay travel or accommodation costs and, if they have already done so, we will reimburse the costs. Special cases, e.g. sharing a car for travelling with business partners must be agreed beforehand with the line manager.
 - d) It is not permitted for a business partner to pay the costs for celebrations or events that take place within MERAXIS (Christmas, birthday, anniversary, farewell parties).

6. Donations and sponsoring

Donations may be problematic under the aspect of corruption if they are "instigated" by the business partner. It must therefore be ensured that the organisation, which is to receive a donation, is independent from the business partner, that the business partner cannot gain any personal or commercial benefits from the donation and that the donation is not connected in any way with a specific business transaction.