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## Compliance Training

Andrea Wickart, Julian Gower  
9 November 2018

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### Definition Compliance

- „to comply with“ = adhere to the rules
- In medical language, a patient has a high compliance, if he follows the doctor's instructions.



**ARBONIA**  **Compliance**  
**Definition**

**Compliance in an enterprise means**

- conformity with regulations
- adherence to the law and legal standards



9 November 2018

3

**ARBONIA**  **Compliance**  
**Non-Compliance**

**What can happen, if your business is  
non-compliant?**

9 November 2018

4

by **Kate Smith**  
Friday, 01 Apr  
2016, 08:25  
BST

Rolls-Royce Holdings (LON:RR) has been drawn into a scandal over alleged bribery and corruption in the international oil industry, The Times has revealed. The scandal is related to Monaco-based lobbying firm Unaoil which was allegedly involved in the payment of bribes to officials in several oil-producing nations.



### Swiss drugmaker Novartis faces bribery allegations in China

SOURCE: [GLOBAL TIMES](#), ON APRIL 5TH, 2018



## Commercial Motor

### Five truck manufacturers fined €2.9bn for involvement in truck cartel

19 July 2016 | Ashleigh Wight | Product



MAN, Volvo Group (which owns Volvo Trucks and Renault Trucks), Mercedes-Benz parent Daimler, Iveco and Daf were all found to have broken EU competition rules by forming a cartel to discuss the coordination of factory prices for trucks; timings for the introduction of emissions technology; and passing on the cost of such technology to customers.



**European Commission - Press release**

**Antitrust: Commission fines maritime car carriers and car parts suppliers a total of €546 million in three separate cartel settlements**


Brussels, 21 February 2018

**In three separate decisions, the European Commission has fined four maritime car carriers €395 million, two suppliers of spark plugs €76 million, and two suppliers of braking systems €75 million, for taking part in cartels, in breach of EU antitrust rules.**

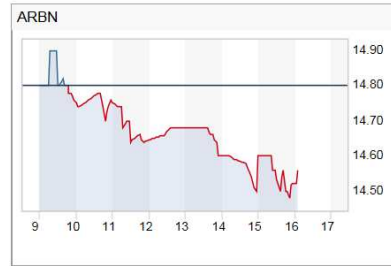
**All companies acknowledged their involvement in the cartels and agreed to settle the cases.**

Commissioner Margrethe Vestager, in charge of competition policy said: "The Commission has sanctioned several companies for colluding in the maritime transport of cars and the supply of car parts. The three separate decisions taken today show that we will not tolerate anticompetitive behaviour affecting European consumers and industries. By raising component prices or transport costs for cars, the cartels ultimately hurt European consumers and adversely impacted the competitiveness of the European automotive sector, which employs around 12 million people in the EU."

**Arbonia AG**

Dernier cours CHF 14.56 **-1.62%** la Date/ Heure 19.09.2018 / 16:20:26 

[Aperçu](#) [Graphique](#) [Données du marché](#) [Détails](#) [Ratios](#) [Entreprise](#) [Analystes](#) [Liquidité](#)



Dernier cours / volume	CHF 14.56 / 338
Variation quotidienne / absolue	<b>-1.62%</b> / -0.24
Volume journalier	94'717
Offre / demande	14.52 / 14.56
Volume d'offre / demande	461 / 400
Plus bas journalier / heure	14.48 / 15:51
Plus haut journalier / heure	14.90 / 09:26
Plus haut annuel / date	18.30 / 25.05.2018
Plus bas annuel / date	14.12 / 07.09.2018
Afficher le carnet d'ordres	

**Swiss mining giant Glencore may face UK probe over Congo deals**

AFP  
news@thelocal.ch  
@thelocalswitzer

21 May 2018  
10:46 CEST+02:00

corruption

Share this article



Glencore may face a British fraud probe into alleged corruption in the Democratic Republic of Congo, Bloomberg reported Friday May 18th, sending the Swiss miner's share price tumbling.

**NEW YORK POST**

**Adidas stock tumbles after exec  
busted in bribery scheme**

By Bruce Golding

September 26, 2017 | 11:44am | Updated



**NIKKEI  
ASIAN REVIEW**



**Samsung stock drops on chief's  
arrest over corruption**

February 17, 2017 12:30 JST



Two jailed in fit-out bribery case

© 24 Apr Two men have been jailed for bribery offences today relating to the development of commercial property in London.



Stephen Banks, former managing director of fit-out and refurbishment specialist Skansen Interiors Limited, gave project manager Graham Deakin, of the real estate giant DTZ Ltd, £10,000 and promised him a further £29,000 in return for confidential information in 2012 and 2013.

The court heard that Banks was intending to use the information to help Skansen Interiors gain contracts through DTZ. Skansen won contracts worth more than £6m.

Banks and Deakin pleaded guilty to bribery at an earlier hearing.

This article was published on 24 Apr 2018 (last updated on 24 Apr 2018).

**The FCPA Blog**

News and commentary about white-collar crime, enforcement, and compliance

Switzerland: Oil trader sentenced for Africa bribes

By [Richard L. Cassin](#) | Thursday, August 30, 2018 at 7:28AM



A former Geneva-based oil trader was given an 18-month suspended sentence for bribing officials in Africa in exchange for oil shipments.

Pascal Collard, a Belgian with Swiss residence, admitted bribing officials in the Congo and Ivory Coast.

The Swiss Federal Criminal Court said Tuesday he must also pay \$33,850 in court costs.

## Consequences of non-compliance

- Negative headlines across all medias
- Loss of reputation of Arbonia Group
- Loss of customer confidence
- Freefall of Arbonia share price
- Time-consuming, expensive and burdensome investigations
- High costs of external advisers
- Heavy fines in case of conviction
- (Former) employees facing conviction of criminal offences due to their wrongful acts

***„If you think compliance is expensive, try non-compliance!“***

This quote was made by the former U.S. Deputy Attorney General Paul McNulty when taking note of the assessment of damage the German truck and diesel engine maker MAN AG disclosed. The bribery scandal cost MAN AG EUR 250 Millions in fines, penalties and investigation costs.



**Establishing a uniform Compliance-Culture across the Arbonia Group!**

**It is important that**

- we have a common understanding of respecting the laws and regulations;
- we respect the Code of Conduct of the Arbonia Group and live by it;
- our behaviour towards our employees, customers, suppliers, the authorities, competitors and shareholders is respectful and fair;
- we make sure that the tone at the top is in line with the Code of Conduct.

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**Code of Conduct**

7 June 2018

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## Addendum to the Code of Conduct

22 August 2018

- Arboneria 
- Benefits
- Bildergalerie
- Brandmanual
- Compliance
- Flohmarkt
- Jobs
- News
- Nützliche Links
- Reiseportal 
- Übersetzungen

[< Zurück](#)

## Compliance

Diese Seite wurde am 28.05.2018 zuletzt angepasst.

### Der Verhaltenskodex der Arbonia

Engagement, Verantwortung, Vertrauen und Zusammenarbeit sind Werte, denen sich die Arbonia verpflichtet fühlt. Die Anwendung und Umsetzung dieser Werte im täglichen Kontakt mit internen und externen Partnern ist Teil der in der Arbonia gelebten, auf gegenseitigem Respekt beruhenden Unternehmenskultur. Der Verhaltenskodex der Arbonia fasst diese Werte ebenso wie Regeln für das tägliche Handeln sämtlicher Mitarbeitenden auf allen Stufen zusammen. Der Verhaltenskodex wird durch verschiedene Weisungen konkretisiert. Das zeigt Ihnen alle diese Regeln auf einen Blick.

[Compliance-Handbuch \(DE\)](#) >

[Compliance Manual \(EN\)](#) >

[Weisungen / Directives](#) >

[Verschiedenes](#) >

Sponsoringweisung / Sponsoring Directive

- [Deutsch](#)
- [English](#)

Verhaltenskodex / Code of Conduct

- [Český](#)
- [Chinese](#)
- [Deutsch](#)
- [English](#)
- [Français](#)
- [Italiano](#)
- [Polski](#)
- [Russian](#)
- [Slovenský](#)

Wettbewerbsweisung / Competition Directive

- [Deutsch](#)
- [English](#)

Business Integrity

- Compliance with Laws
- Corporate Governance
- Cooperation with Business Partners based on Trust
- Fair Competition
  - Competition Directive
- Bribery and accepting an advantage
  - Gift Directive
  - Directive regarding intermediaries, distributors and merchants
  - Directive on Kick-Back Payments
  - Sponsoring Directive

Business Integrity

- Conflict of Interests
- Insider Trading
  - Directive on Insider Trading
- Information policy
- Confidentiality and Data Protection
  - Data Protection Directive
  - Internet Directive
  - Social Media Rules
- Intellectual Property
- Product Safety
  - Directive on Product Safety and Liability

Responsibility to  
investors

Responsibility to  
employees

- Respectful Cooperation
  - Directive on Protection from Sexual Harassment, Bullying and Discrimination at Work
- Employee Development
- Discrimination Prohibition
- Health and Occupational Safety
- Social Partnership

Responsibility to  
society

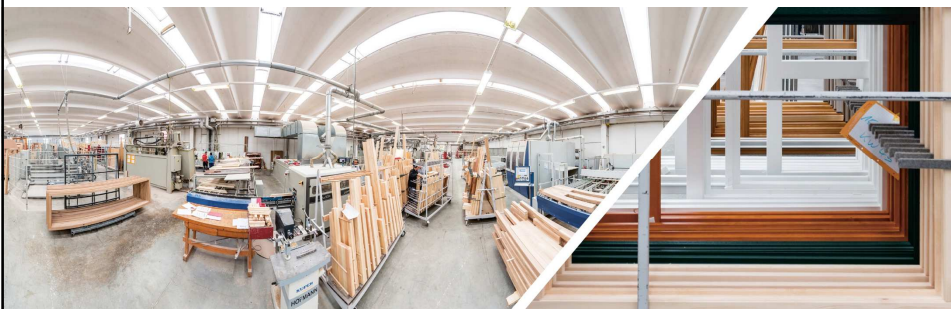
- Dialogue with Society
- Human Rights and Child Labour

Responsibility to  
the environment

- Environmental Standards
- Sparing Use of Resources

Responsibility  
and  
Implementation

- Rules of Reporting Grievances  
- Whistleblower Directive



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**Conflict of Interest**

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***Arbonia Group strives to prevent conflict of interest of the Management and of the employees wherever possible. All employees are expected to act in the best interest of the Arbonia Group and to put aside personal interests or benefit. All employees are obliged to fully disclose personal or financial interests that could be in conflict with Arbonia Group's interests.***



[Authorisation](#) [Supervision](#) [Enforcement](#) [Documentation](#) [FINMA](#)

14 June 2018 [Press release](#)

### **Raiffeisen: major corporate governance failings**

The Swiss Financial Market Supervisory Authority FINMA has concluded its enforcement proceedings against Raiffeisen Switzerland in relation to corporate governance issues. FINMA has found that the bank's handling of conflicts of interest was inadequate. In addition, Raiffeisen's board of directors failed to adequately supervise its former CEO, thereby enabling him, at least potentially, to generate personal financial gain at the bank's expense. Overall, FINMA finds that there was a serious breach of supervisory law. FINMA has specified measures to improve corporate governance and welcomes the measures already taken by the bank. FINMA will appoint an independent audit agent to monitor the implementation and effectiveness of the measures.





Catering on a business event





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## Insider Trading

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***Insider trading is not permitted and causes damage to Arbonia and its shareholders. Employees are prohibited from using insider information for their own benefit or for the benefit of another person.***



Potentially price-sensitive facts, which can considerably influence the stock market price, e.g.:

- *Important financial information / significant changes in profit*
- *Important takeover projects / merger & acquisitions*
- *Important strategic decisions*
- *major deficiency in the quality of a product / severe consequences of liability (with impact on the entire Arbonia Group)*

Markets

## Ex-KPMG Auditor Guilty of Insider Trading on Swiss Takeover

By [Hugo Miller](#)

9 August 2018 17:44 Updated on 9 August 2018 21:35

- ▶ Senn must pay 47,000 Swiss francs in fines, costs and profits
- ▶ Auditor convicted for exploiting 'confidential information'



LISTEN TO ARTICLE

▶ 2:44

A former KPMG auditor was convicted of insider trading by Switzerland's top criminal court over trades he made in 2011 on an undisclosed takeover bid.



23 June 2017

Press release

### FINMA imposes sanctions for insider trading and market manipulation

#### Former board member repeatedly committed insider trading

FINMA launched proceedings against a former board member of a number of well-known Swiss industrial concerns. Also included in the proceedings was a limited company controlled by the individual in question. Between 2013 and 2016 the former board member repeatedly and systematically used information from companies of which he was a board member to exploit expected share price movements through derivative transactions.



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## Data Protection

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***Arbonia protects its confidential information and personal data and prevents inappropriate or unauthorized disclosure of them. Arbonia employees may neither internally nor externally pass on or utilize Arbonia's trade secrets and industrial secrets during or after their employment relationship. A suitable non-disclosure agreement shall be entered into in advance of cooperation with external partners.***

Data Protection

- Personal data are valuable
- **Private person:** informational self-determination, personality protection
- **Company:** business secrets, competition, intellectual property, share price relevancy
- Proportionality
- Legitimate reason
- Right to information

- Failing to comply with the data protection laws exposes companies to
  - Reputational risk
  - Damages
  - Heavy fines (e.g. up to 4% of the global turnover under the EU-GDPR)
- Failing to comply with data protection laws may also expose customers and employees to data protection risks, such as
  - Identity theft
  - Financial loss
- Compliance with the data protection laws will help maintaining confidence in our organisation and ensure successful business operations

**Data Protection**

- General Data Protection Regulation
- General processing principals
- Processing of employee data
- Processing of customer data
- Use of customer data for advertising purposes
- Technical and organisational measures

**EU General Data Protection Regulation**

- On 27 April 2016, the European Union passed new data protection law
- As of 25 May 2018, companies must comply with EU GDPR or face severe sanctions
- EU GDPR lays down rules protecting personal data of natural persons
- «Personal data» means any information relating to an identified or identifiable natural person («data subjects»)

**EU General Data Protection Regulation essentials:**

- A company is responsible for and must be able to demonstrate compliance with EU GDPR ("accountability", Art. 5 para. 2 GDPR)
- Personal data may only be processed lawfully based on a legal ground  
*Contract - Consent - Legal Obligation - Public Interest - Legitimate Business Interest*
- Obligation to keep records of processing activities (Art. 30 GDPR)
- Obligation to notify personal data breach to the supervisory authority and to the data subject (Art. 33 / 34 GDPR)

*Every Arbonia Group Company processing personal data shall ensure that the following six data protection principles are observed:*

- (1) Only process personal data if a valid legal ground can be demonstrated, and inform data subject about purpose and terms of data collection and processing
- (2) Always adhere to the purpose the personal data was collected for
- (3) Only collect/process personal data that is needed
- (4) Keep personal data correct and delete inaccurate personal data
- (5) Keep personal data only for the legal retention periods
- (6) Keep personal data confidential and only share what needs to be shared



**Data Protection**

- Internet Directive
- Use of Internet services and telephone services
- Surveillance of Internet services and telephone services
- Procedure in the event of absences / employees leaving Arbonia Group Companies
- Access to the user accounts of employees
- Application Form for the Right of Access to a User Account of an Employee



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**Fair Competition**

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**ARBONIA**  **Code of Conduct**  
**Fair competition**

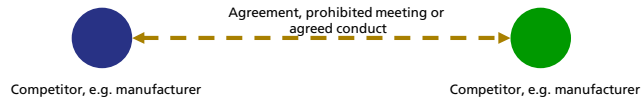
*Arbonia is committed to fair competition based on performance. Arbonia neither engages in anti-competitive practices nor does it participate in arrangements that violate antitrust law.*

**ARBONIA**  **Fair competition**  
**Purpose**

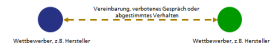
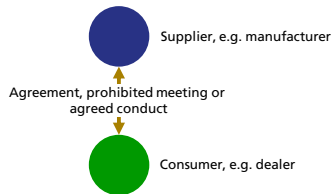


- An important basis for a free market system is the maintenance of a competitive and free entrepreneurship
- It is an essential and personal obligation for every employee to fully comply with anti-trust law
- Increasing the awareness for the basic laws and their importance for the business behaviour

Horizontal agreements (price and area agreements)



Vertical agreements (price bindings and delivery prohibitions)



Horizontal agreements (price and area agreements)

5 Millionen Busse für Preisabsprache

Acht Unternehmen haben sich regelmässig zu ihnen die Weko auf die Schliche.

Construction companies to pay fine of CHF 5 million for price fixing

Eight companies have regularly met for «market clarification meetings». The Swiss cartel commission found out...

- Meetings between 8 road and civil engineering companies about calls to tender
- Agreements about who bids and with which conditions
- Aim: Market hindrance through orchestrated participation in calls to tender, in order to exclude joint competition

Tagesanzeiger, 04.10.2016



Horizontal agreements (price and area agreements)

Millionenstrafen für Edeka, Metro, Netto und Kaufland  
Fine of millions for Edeka, Metro, Netto and Kaufland

Datum: 09.05.2016 14:11 Uhr

Wegen verbotener Preisabsprachen hat das Bundeskartellamt 90,5 Millionen Euro Strafen gegen Einzelhändler und Hersteller verhängt. Betroffen davon sind zahlreiche bekannte Unternehmen.  
Handelsblatt, 09.05.2016

Due to illegal price fixing agreements for beer and sweets, the German federal cartel office has fined retailers and producers with EUR 90.5 million. Many well known companies concerned.



- In Germany, 8 major drinks' wholesalers and discount supermarkets agreed the prices for beer, confectionery and coffee.
- The agreements were primarily horizontal (coordinated conduct) but also vertical (supply contracts).



Vertical agreements (price bindings and delivery prohibitions)

WEKO büsst Musik Olar AG

Swiss Federal Cartel Office (WEKO) to fine Musik Olar AG for vertical price fixing

Die WEKO hat Musik Olar AG mit CHF 65'000.- für Preisabsprachen mit Musikinstrumenten-Händlern bestraft. Die WEKO hat Musik Olar AG mit CHF 65'000.- für Preisabsprachen mit Musikinstrumenten-Händlern bestraft. Die WEKO hat Musik Olar AG mit CHF 65'000.- für Preisabsprachen mit Musikinstrumenten-Händlern bestraft.

- General importer orally specified maximum discounts of their dealers
- Uncooperative dealers were punished with a reduction in special conditions.
- Insufficient cooperation during the investigation



Vertical agreements (price bindings and delivery prohibitions)

Wegweisender Kartellrechtsentscheid im  
Fall Elmex

Groundbreaking cartel law decision within ELMEX trial

Hersteller dürfen Händler nicht daran hindern, ihre Kunden zu beliefern. Die Schweizer Eidgenossenschaft hat nach 10 Jahren Verfahren über den Hersteller von ELMEX entschieden.

- Manufacturer prohibited dealers from making deliveries to customers outside the contractual area (ban on parallel imports or ban on passive sales outside the contractual area).
- The fine here was CHF 4.8 million.

Tagesanzeiger, 28.06.2016

*A company can restrict competition if it is in a position of strength on a given market. A dominant position is not in itself anti-competitive, but if the company exploits this position to eliminate competition, it is considered to have **abused** it*

➤ Examples include:

- Charging unreasonably high prices
- Depriving smaller competitors of customers by selling at artificially low prices they can't compete with
- Making the sale of one product conditional on the sale of another product

**Abuse of dominant position**

- European Commission sent “Statement of Objection” to AB InBev for preventing cheaper imports of beer into Belgium (30 November 2017; a *Statement of Objections* does not prejudice the outcome of the investigation)



- The Commission's preliminary view is that AB InBev is dominant on the Belgian beer market
- It alleges that AB InBev abused this dominant market position by pursuing a deliberate strategy to prevent supermarkets and wholesalers from buying Jupiler and Leffe at lower prices in the Netherlands and France, and from importing them into Belgium

**Abuse of dominant position**

- The Commission is concerned with a number of AB InBev business practices, which have been in place since at least 2009. These include:



- *AB InBev changed the packaging of Jupiler and Leffe beer cans in the Netherlands and France to make it harder to sell them in Belgium*  
For example, AB InBev removed French text from its cans in the Netherlands, and Dutch text from its cans in France, to prevent their sale in the French and Flemish speaking parts of Belgium, respectively
- *AB InBev limited access of Dutch retailers to key products and promotions, in order to prevent them from bringing less expensive beer products to Belgium*



*5th Window Symposium*

**Procedure in the event of a suspected cartel violation**

Employees that notice circumstances that imply an anti-trust law violation are requested to inform the management and/or the Head of Legal & Compliance without delay (the report may also be made to the reporting offices specified in the „whistle-blowing directive“).

Particularly delicate are all kinds of meetings with competitors:

- Business contacts (trade shows, association conferences, etc.)
- Business contacts: do not use any ambiguous statements
- A passive role in the conversation does not protect from sanctions

**General instructions:**

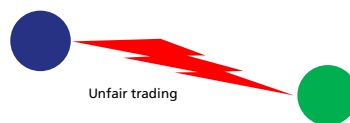
- Remain calm and professional and by no means try to obstruct the search
- Never try to destroy or hide documents

**Special instructions:**

- Employees of the reception (!)
- Immediate information of the management and the Head of Legal & Compliance
- Ask Employees of the competition commission to authenticate themselves and copy the search warrant

**Instructions for the management:**

- Designate employees that accompany the employees of the competition authority during the entire search (keep a record of the actions and copy every confiscated document)
- The search warrant shall be examined in order to ascertain the subject matter and scope of the search
- The employees of the competition authority shall be provided with a photocopier
- An external lawyer who is experienced in proceeding under competition law shall be engaged



- Prohibited is every unlawful or deceitful behaviour that infringes the principles of good faith
- Protection of a certain competition quality in terms of fairness in the market
- Aligned to all parties involved in the competition



**What is blue and cheaper than TELEKOM?**

Save up to EUR 120 per year with O2...





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**Anti-Corruption / Gifts and invitations**

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***Arbonia tolerates neither active nor passive bribery. Arbonia does not give any unjustified advantages to members of the government or government authorities or to employees of private companies in order to influence their decisions, and does not accept them from third parties either. No one that works for Arbonia may give, request or accept unjustified advantages, such as excessive gifts or benefits, i.e. ones that exceed a customary value. Giving gifts or benefits is in particular prohibited when business decisions are influenced in an illegal manner as a result or also that only an impression that such is the case could be created.***

**Before you give or accept gifts/invitations you should ask yourself the following questions:**

- Intention: What do I intend with the gift/invitation?
- Appropriateness: Is the gift/invitation appropriate?
- Frequency: How often do I give or accept a gift/invitation?
- Disclosure: Can I tell my co-workers about the gift/invitation without any misgivings?

**Before you give or accept gifts/invitations you should ask yourself the following question:**

- Intention: What do I intend with the gift/invitation?



**Before you give or accept gifts/invitations you should ask yourself the following question:**

- Appropriateness: Is the gift/invitation appropriate?

**PERSONAL INVITATION**  
to the World Cup Final  
on 18<sup>th</sup> December 2022 in Katar,  
including flight and accommodation

**Before you give or accept gifts/invitations you should ask yourself the following question:**

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**Before you give or accept gifts/invitations you should ask yourself the following question:**

- Disclosure: Can I tell my co-workers about the gift/invitation without any misgivings?





AUTUMN SESSION 2018 | 10 - 28 September

Keywords, items of business, Council members etc...



NATIONAL COUNCIL

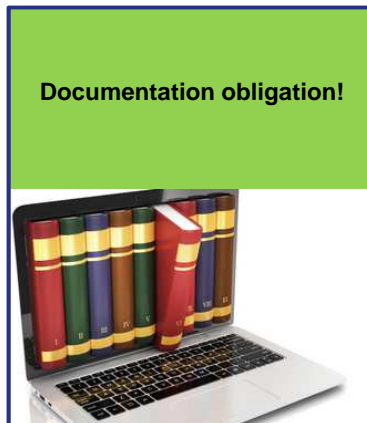
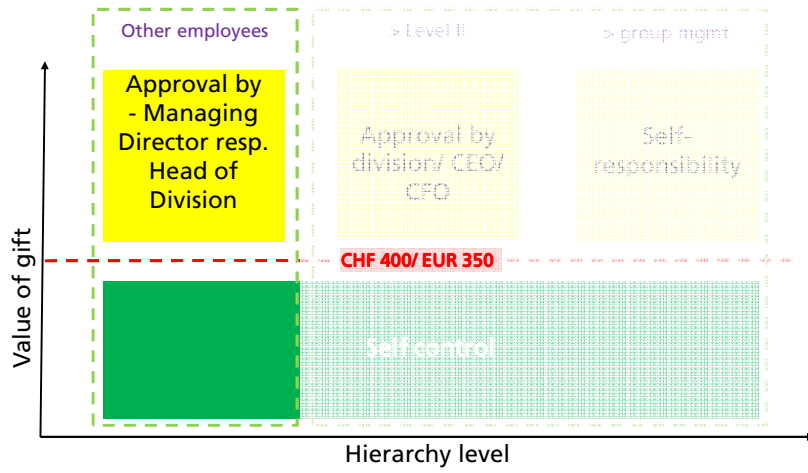
No session at present time

COUNCIL OF STATES

No session at present time

***No gifts to officials and public office holders, except for a bunch of flowers or some chocolate following a speech!***





**ARBONIA**  **Invitations**  
**Approval**

***Approvals for invitations are required depending on the purpose and the costs of the invitation***

***No approval need :***

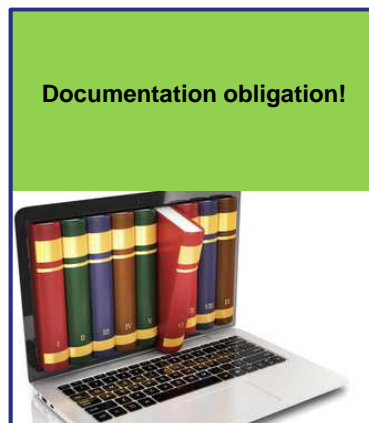
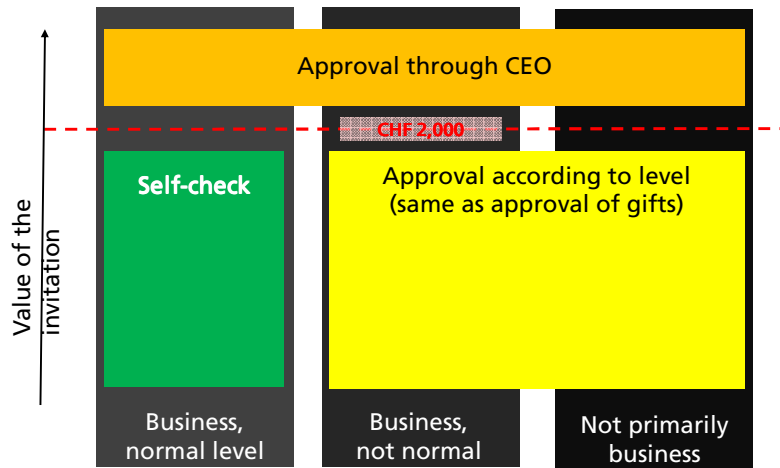
- ***For business meals, as long as the costs are appropriate according to the local customs.***
- ***If the invitation is in the context of a special occasion like e.g. a company anniversary at its headquarter, open house day, product presentation.***

**ARBONIA**  **Invitations**  
**Approval**

***Approvals for invitations are required depending on the purpose and the costs of the invitation***

***Approval needed:***

- ***If the invitation is primarily of a business nature (business meeting) but the location and/or the costs are beyond the local customs: e.g. business lunch in a five star hotel.***
- ***If the invitation is not primarily of a business nature: e.g. invitation to a UEFA Champions League game, to a Golf tournament, to a theatre performance etc.***







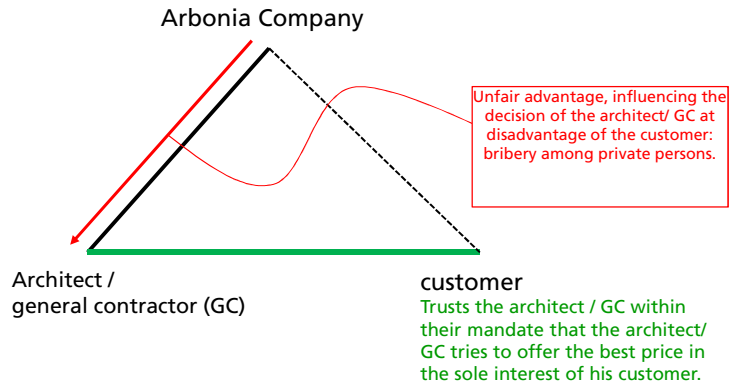
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**Sponsoring**

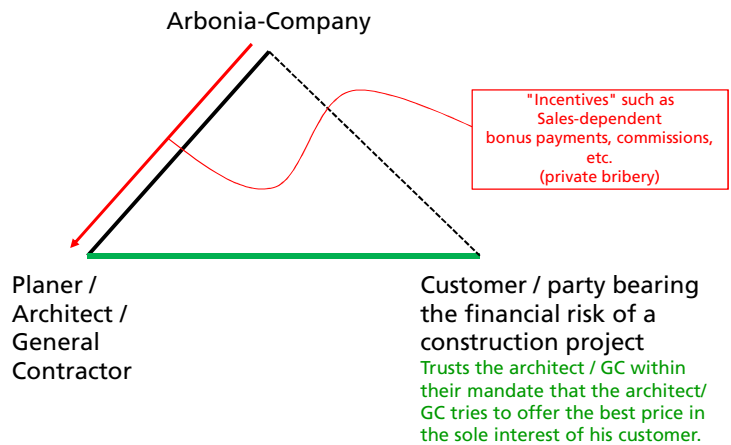
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***Arbonia does not give any unjustified advantages to private companies or its employees in order to influence their decisions.***

Sponsoring  
Private Sector Bribery / Triangular relationship



Sponsoring  
Distinction from Kick-Backs, etc. in triangular relationship



Sponsoring



Advertisement



**Checklist "Sponsoring"**

The facts on which the proposed sponsorship is based are made transparent by completing this checklist. The completed checklist allows the internal approval authority (see directive, paragraph 6) to determine whether the sponsoring regulations (see directive, paragraph 5) are complied with.

**1. What is the sponsoring objective?**

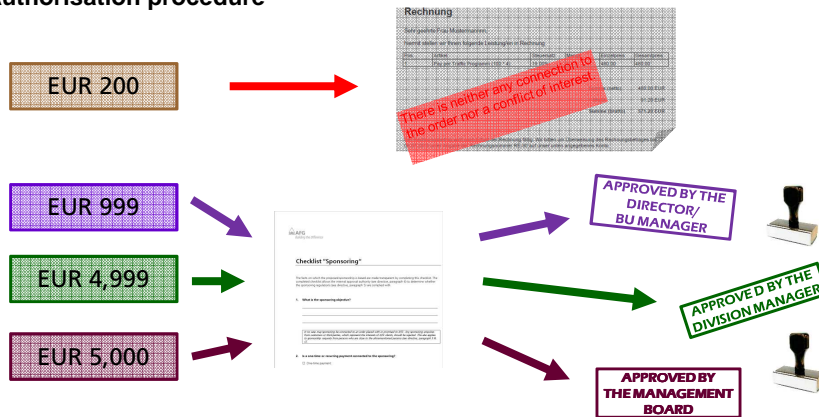
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*In no case may sponsoring be connected to an order placed with or promised to AFG. Any sponsoring enquiries from customers or third parties, which represent the interests of AFG clients, should be rejected. This also applies to sponsorship requests from persons who are close to the aforementioned persons (see directive, paragraph 5 lit. c)).*

**2. Is a one-time or recurring payment connected to the sponsoring?**

One-time payment:

**Authorisation procedure**





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**Involvement of intermediaries, agents, consultants, etc.**

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**Anti-corruption  
Intermediaries, Agents and Consultants**

**Rolls-Royce**

**Rolls-Royce middlemen may have used  
bribes to land major contracts**

Guardian/BBC investigation finds that blue-chip manufacturer may have benefited from use of alleged payments by network of intermediaries for years

**Rob Evans, Holly Watt and David Pegg**

Mon 31 Oct 2016 17:00 GMT



1,237



**Rolls-Royce**

**Rolls-Royce to pay £671m over bribery claims**

Voluntary payments will mean UK manufacturing giant avoids being prosecuted by anti-corruption investigators

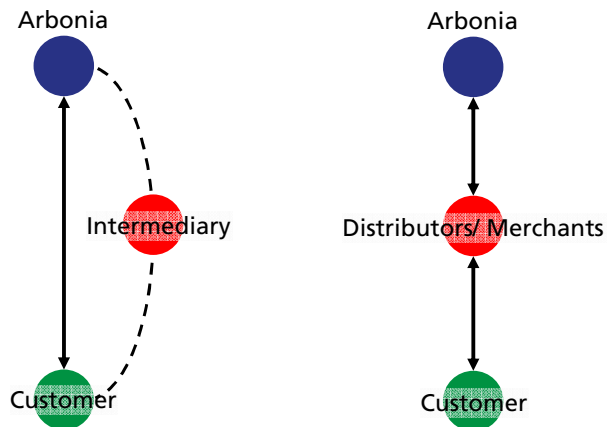
**Rob Evans, David Pegg and Holly Watt**

Mon 16 Jan 2017 19:50 GMT



1,048





**No business relation, if there is substantial suspicion of corruption or other heavy weighing statutory violation.**

- There always needs to be a written contract with Intermediaries with a termination clause in case of substantial suspicion of corruption.
- The remuneration is always payed to a bank account in the name of the Intermediary in his country of domicile.

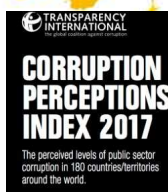
- Assessment of intermediaries, agents, consultants («**Intermediaries**»)
- Assessment of certain suppliers and customers pursuant to internal risk scale

- Content of assessment:

<p>database query by legal department</p> 	<p>checklist "Integrity Check on Intermediaries"</p> 
<p>further clarifications</p> 	<p>self declaration</p> 



RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
1	New Zealand	89	61	Estonia	71	87	Romania	48
2	Denmark	88	62	United Arab Emirates	71	88	Cuba	47
3	Finland	85	63	France	70	89	Malaysia	47
4	Norway	85	64	Uruguay	70	90	Montenegro	48
5	Switzerland	85	65	Barbados	68	91	Sao Tome and Principe	46
6	Singapore	84	66	Bhutan	67	92	Hungary	45
7	Sweden	84	67	Chile	67	93	Senegal	45
8	Canada	82	68	Bahrain	65	94	Belarus	44
9	Luxembourg	82	69	Portugal	63	95	Jamaica	44
10	Netherlands	82	70	Qatar	63	96	Oman	44
11	United Kingdom	82	71	Taiwan	63	97	Bulgaria	43
12	Germany	81	72	Bhunei	62	98	South Africa	43
13	Australia	77	73	Darussalam	62	99	Vanuatu	43
14	Hong Kong	77	74	Israel	62	100	Burkina Faso	42
15	Iceland	77	75	Botswana	61	101	Lesotho	42
16	Austria	75	76	Denmark	61	102	Tunisia	42
17	Belgium	75	77	Poland	60	103	China	41
18	United States	75	78	Seychelles	60	104	Serbia	41
19	Ireland	74	79	Costa Rica	59	105	Sunname	41
20	Japan	73	80	Lithuania	59	106	Trinidad and Tobago	41
			81	Latvia	59	107	Jordan	48
			82	Saint Vincent and the Grenadines	58			
			83	Cyprus	57			
			84	Czech Republic	57			
			85	Dominica	57			
			86	Spain	57			
			87	Georgia	56			
			88	Malta	56			
			89	Cabo Verde	55			
			90	Rwanda	55			
			91	Saint Lucia	55			
			92	Korea (South)	54			
			93	Grenada	52			
			94	Namibia	51			
			95	Italy	50			
			96	Mauritius	50			
			97	Slovakia	50			
			98	Croatia	49			
			99	Saudi Arabia	49			
			100	Greece	48			



There is a **duty to obtain a permission**, if:

- Agreements with intermediaries providing services in target Countries listed after Italy in the latest CPI are to *be approved by the respective Head of Division*. The Head of Division signs the "Checklist Intermediary".
- Agreements with intermediaries that provide for commissions of more than 10% of the net purchase order volume generated by the intermediary, must be *approved by the Group Management*. This rule applies to all countries.

**Transitional arrangements concerning intermediaries**

- For current intermediaries in countries with a CPI ranking below Italy, a *Business Partner Check* must be completed
- Current intermediaries with commissions of more than 10% *must be retrospectively approved by Group Management*



**Periodical review on Distributors and Merchants**

Every Business Unit needs to perform a *Business Partner Check every 5 years* for the three Distributors and Merchants with the highest annual turnover for every target country with a CPI-rank below Italy



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**Kick-Back Payments Directive**

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**Definition of Kick-back payments**

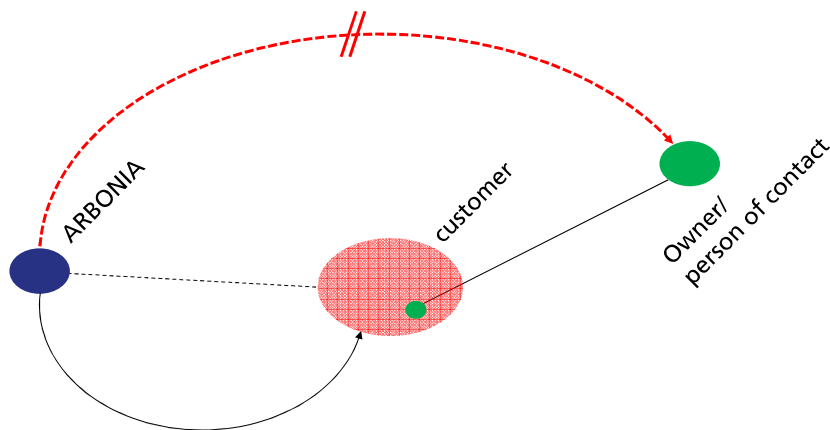
Certain amounts of money that are paid back by the one contractual party to the other

**Kick Back payments to third parties**

Permitted, if a number of conditions are met simultaneously

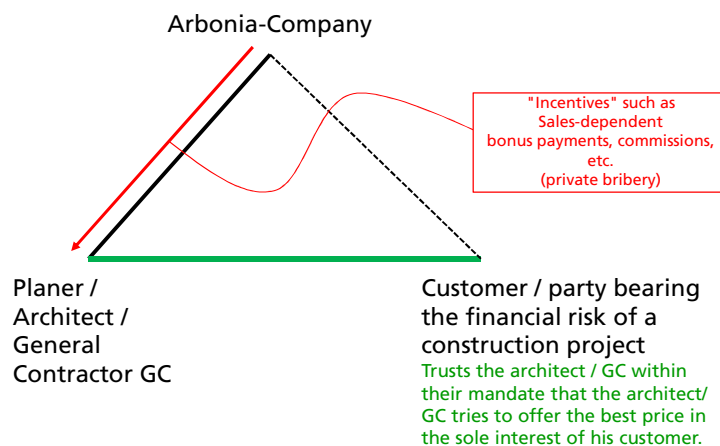
**Kick-Back payments to employees**

Agreements between Arbonia employees and a customer, intended to give the employee a pecuniary advantage, are not permitted



**Conditions for Kick-Back payments to third parties:**

- ✓ Based on a written agreement
- ✓ Made to contractual party that has generated the revenue that serves as the basis for the kick-back payment
- ✓ Paid by bank transfer only
- ✓ Bank transfer to an account held in the name of the company that is entitled to the kick-back payment
- ✓ The bank account to which the transfer is made shall be held at a bank in the same country as the country of domicile of the entitled company
- ✓ The company that generated the revenue that serves as the basis for the kick-back payment shall be sent a statement of the kick-back payments





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## Whistleblowing

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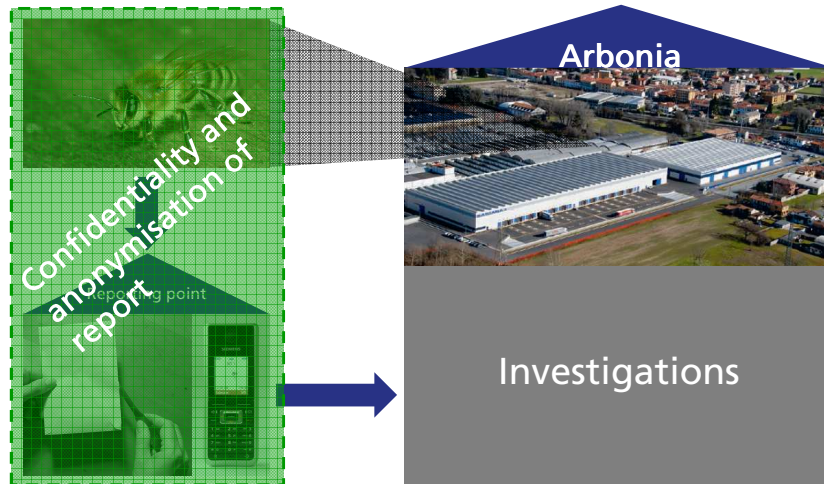
***All employees of Arbonia are called to report breaches of the Code of Conduct and of the directives that specify the details of the Code of Conduct which they learn of. When assessing whether specific practices could constitute a breach of the Code of Conduct, employees shall apply reasonable ethical and moral criteria and use common sense. Country-specific customs and conventions shall also be taken into consideration. There is no margin of discretion in the event of violation of the law.***

- Arbonia employees are invited to report compliance-relevant issues. Their awareness for possibly unlawful activities within the Arbonia Group is a central factor by implementing the Code of Conduct.
  
- Wrongdoings in the following fields require a whistleblowing reporting:
  - Corruption / Bribery
  - Violation of the cartel law
  - Violation of data protection law
  - Insider trading
  - Conflict of interest
  - Unhealthy workplace atmosphere, bullying
  - Misuse/uneconomic wasting of company resources
  - Non-observance of sustainability, damage to the environment
  - Favouritism and sleaze
  - Other infractions of the law

**No reporting right for private matters and insignificant matters**

Such matters have to be clarified directly with the person concerned, where appropriate with the involvement of the line manager.



**Preferably, the official channel shall be observed:**

- Line manager
- Human resources departement
- Works council
- etc.

**Reporting Offices:**

- Head of Division / Managing Directors
- Head of Legal & Compliance
- Head of Internal Audit

The Whistleblower has to make the reporting by disclosing his name. However, in the further investigations, the Whistleblowers identity remains undisclosed.



- A suspicion is enough.
- Protection of the whistleblower
- The report is checked before anything happens
- The whistleblowing offices offer the possibility to tackling something in a top-down manner

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All directives can be found on the intranet at  
[compliance.arbonia.com](http://compliance.arbonia.com)



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**Thank you**

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