



# Anti-Corruption Guideline

## Anti-Corruption Guideline of AEB SE

Code of conduct, responsibility, organization, and procedure for combatting corruption and related activities.

### Preliminary remarks

This Anti-Corruption Guideline serves as a single source for all anti-corruption safeguards.

The AEB SE Code of Conduct also contains the basic anti-corruption rules that are outlined in further detail and put into context here.

### 1 Purpose

- 1.1 The purpose of this guideline is to prevent corruption in connection with the business activities of AEB SE and its subsidiaries.
- 1.2 The reputation of AEB SE depends upon the trust of its customers, business partners, shareholders, and employees and of public authorities, public opinion, and the media.
- 1.3 Any form of corruption in connection with our business activities can have severe consequences. In addition to significant damage to our reputation, this can include criminal or regulatory proceedings and the resulting penalties and fines for employees and/or third parties who were involved as well as steep fines for AEB SE and/or complicit executives. It could also conceivably lead to the revocation of official permits, the exclusion from procurement processes and provider lists, and the confiscation of excess earnings attributable to corrupt behavior.

### 2 Scope

- 2.1 This guideline applies to AEB SE and its subsidiaries. It also applies to enterprises or joint ventures in which AEB SE holds more than 50% of shares or voting rights and to companies operating under the AEB SE name.
- 2.2 Representatives of AEB SE in affiliated companies or joint ventures should do everything possible under contractual and corporate law to refrain from any form of corruption and prevent corruption in business activities.

### 3 Basic requirements for conduct and organization

AEB SE hereby requires its employees, executives, and any third parties or representatives it hires to refrain from any form of corruption, to intervene against any form of corruption, and to take all necessary measures to prevent corruption in connection with the business activities of AEB SE. This includes not only avoiding to violate the law, but also all actions that could give the impression of corruption to other persons, even if they do not violate any laws.

- 3.1 Prohibition of all corrupt acts and related behavior
- 3.1.1 Corruption is the direct or indirect conferral, demand, suggestion, acceptance, or promise of advantages to employees or agents of current or prospective business partners, public officials, or equivalent persons to obtain unjustified business advantages or to induce someone with decision-making authority at the customer's company to violate his or her professional obligations.
- 3.1.2 Examples of unjustified business advantages:
- Preferential information in a call for tenders
  - Awarding of a contract despite a higher price or lower quality
  - Preferential treatment despite conditions equal to competitors
  - Preferential treatment in deliveries (conditions, dates, quantities)
- Preferred conditions such as discounts and refunds that are officially negotiated with the contracting party and documented do not constitute illicit advantages.
- 3.3.3 For public officials or those of equivalent position, an advantage for the performance of official duties that is not permitted under the regulations of the public official may in itself be punishable by law, even if it does not result in an unjustified advantage or cause the public official to violate his or her official responsibilities.
- 3.3.4 The target person does not need to receive the benefit directly. Benefits that are extended to third parties but are also important for the target person may also be punishable by law. Examples include a donation to an athletic club or charitable organization or cultural institution based on the target person's wishes, or benefits extended to or on behalf of family members or other closely related persons.
- 3.3.5 Employees must also be aware that criminal liability for corruption does not require that prohibited benefits have actually been provided or received. On the contrary, offering or promising or encouraging or demanding benefits for an illicit purpose is already punishable as an actual offense.
- 3.3.6 Corrupt activity is usually carried out covertly from funds that are not subject to proper financial supervision within the company ("slush funds") and in such a way that the outward appearance of legitimate business activities is preserved. Corruption is therefore often associated with other offenses such as tax evasion (fictitious invoices as operating expenses), embezzlement (creating or tolerating slush funds), fraud (fictitious invoices), money laundering (payments to fictitious

addresses or shell companies, or for fictitious invoices), or betrayal of trade secrets (preferential information in contract bidding).

- 3.3.7 The behavior prohibited under these guidelines and the anti-corruption due diligence and supervision required under these guidelines therefore extend not only to the direct measures taken to confer or demand an advantage but also to the associated preparatory and deceptive acts and omissions (such as lack of invoice auditing) in accounting, vendor management, profit calculation, purchasing, the preparation of quotations and calls for tenders, or how orders and projects are organized.

#### 4 External and internal obligations to prevent corruption

- 4.1 Worldwide obligations under this Anti-Corruption Guideline
- The obligations arising from this internal guideline for the prevention of corruption and the prohibition of all corrupt acts apply to all employees and executives of AEB SE worldwide, whether or not a prohibited behavior violates the laws of a particular country.
- 4.2 Worldwide application of anti-corruption laws
- It should be emphasized that corrupt behavior in connection with business activities is now a criminal offense almost everywhere in the world and that the criminal laws of one country can also be applied to acts of corruption in other countries if
- such actions originated in the country in question,
  - were initiated or supported from there,
  - involved citizens of that country, or
  - violate the interests of that country abroad.
- 4.3 Obligations under German law
- This guideline primarily reflects the legal requirements under German law. From the German Criminal Code (*Strafgesetzbuch*), key passages include Section 299 (taking and giving bribes in commercial practice), Section 299a (taking bribes in the healthcare sector), Section 331 (accepting benefits by public officials), Section 332 (taking bribes by public officials), Section 333 (granting benefits to public officials), Section 334 (giving bribes to public officials), Section 108e (giving

bribes to elected officials). This guideline also relies on the Criminal Code's legal norms deriving from Section 261 (money laundering) and Section 266 (embezzlement) and on commercial due diligence obligations for dealers in goods arising from the German Money Laundering Act (*Geldwäschegesetz*), the Fiscal Code of Germany (*Abgabenordnung*), and the tax requirements for proper invoicing.

#### 4.4 US Foreign Corrupt Practices Act – international applicability and organizational obligations

Internationally, the United States Foreign Corrupt Practices Act of 1977 (FCPA) has taken on particular importance in the effort to prevent the bribery of public officials and their relations.

The FCPA imposed an explicit anti-corruption program of organizational due diligence requirements on company management through its “books and records” rules, which prevent slush funds and set conditions for selecting and supervising advisors and business partners for sales and marketing support. Because US jurisdiction is not limited to US territory under US law, German companies must always expect US authorities to take action before or in addition to German law enforcement authorities in the event of violations of the FCPA if transactions are involved that affect US competitive interests, use the US dollar as a transaction currency, have taken place with the participation of US citizens or permanent residents, or have other links to the US such as US investors as shareholders.

#### 4.5 UK Bribery Act

The UK Bribery Act of 2010 criminalizes the bribery of domestic and foreign public officials as well as bribery in business transactions. The law obliges companies to take organizational measures to prevent corruption and provides for penalties both against individuals and, in the event of a breach of organizational duties, against the responsible company itself. If a German company carrying on a business or part of a business in the UK is responsible for foreign bribery, it may be subject to UK criminal prosecution for lack of due diligence based on “close links” to the UK, even if the crime was not actually committed in the UK or no UK unit of the German company or any of the UK unit's employees were involved in the bribery.

#### 4.6 Differences in international anti-corruption laws

Stricter national or local anti-corruption rules take precedence over the rules outlined in this guideline. Moreover, the rules of this guideline are binding on the addressees even where national or local legislation provides for less strict anti-corruption measures and rules of conduct. Such differences are particularly common with regard to payments to public officials and facilitation payments.

#### 4.7 Bribes

Rule of thumb: At AEB SE, the payment of bribes in any form is prohibited and will not be tolerated.

#### 4.8 Organizational and supervisory obligations

4.8.1 All employees and executives are explicitly advised that in the event of a breach of anti-corruption due diligence obligations, punishments and fines may not be limited to those who actively carried out the acts of bribery. It is in fact possible in such cases that fines may be imposed on the responsible executives, the Board of Directors, and the company itself for improper performance of the anti-corruption organizational and supervisory obligations. In Germany and for German companies, this derives from Sections 130 and 9 in conjunction with Section 30 of the Act on Regulatory Offenses (*Ordnungswidrigkeitengesetz*). This stipulates that the management and the executives entrusted with the performance of management duties must ensure, by means of appropriate risk-based measures and supervision, that criminal acts or acts that risk incurring fines are not allowed to occur in the conduct of the company's business because preventive measures were wrongfully neglected.

4.8.2 Fines in Germany may be as high as EUR 10 million against the company and EUR 1 million against individuals. In addition, the state may confiscate excess earnings (gross, without consideration of costs) that the company obtained from the acts of corruption, and orders may be blocked. The company is prohibited from reimbursing individuals for personal fines.

4.8.3 For companies, the FCPA provides for criminal penalties of up to USD 2 million or twice the amount of gross profit or loss per violation, whichever is greater. It also provides for a civil penalty of USD 16,000 per violation and the surrender of profits earned.

4.8.4 For individuals, the FCPA provides for imprisonment of up to 5 years and criminal penalties of up to USD 150,000 or twice the amount of gross profit or loss per violation, whichever is greater. It also provides for a civil penalty of USD 16,000 per violation and the surrender of profits earned. The company is prohibited from indemnifying private individuals for criminal or civil fines imposed.

## 5 Management responsibility and compliance support

5.1 Within the scope of the duties assigned to executives as a “first line of defense,” every executive has the primary responsibility to prevent corrupt activities, to investigate all indications of possible corruption, to immediately report any such indications to the Compliance Officer, and to do his or her best to ensure that the procedures designed to prevent the conditions for corruption are observed or introduced.

5.2 The AEB SE Compliance Officer supports, advises, and supervises the compliance liaisons of the subsidiaries and the executives and employees of AEB SE in the exercise of this responsibility with professional expertise, by setting and introducing binding standards, and through consulting, training, and case management activities. The Compliance Officer is also entitled to issue instructions to employees and executives and to collect all information he or she considers useful in assessing, supervising, or managing compliance risks relating to AEB SE if deemed necessary due to a possible risk of corruption relating to current or potential incidents or as part of the follow-up management of such cases.

5.3 This gives the Compliance Officer and the compliance role at AEB SE a special individual responsibility and the authority to act and issue instructions to prevent compliance risks. However, this neither reverses nor reduces the aforementioned primary responsibility of executives to prevent corruption within their professional spheres of responsibility.