

## **Our guidelines for the prevention of bribery and fraud**

Fraud damages the company, both through the risk of damage to its reputation and through possible financial losses. Preventing fraud is a central concern of FIMA Maschinenbau GmbH. Employees must not commit fraudulent acts in order to gain an unfair or unlawful advantage.

Employees must not engage in activities that could lead to a breach of the policy, financial loss or damage to the image of FIMA Maschinenbau GmbH or third parties. FIMA Maschinenbau GmbH encourages its employees to be vigilant and to report any cases or suspicions they discover.

### **Scope of application**

These guidelines apply to all employees of FIMA Maschinenbau GmbH, as well as its direct sales representatives and cooperation partners worldwide.

### **Definition**

Fraud is generally understood to mean the following activities, provided that the person involved carries them out in order to enrich themselves or third parties.

- *Misrepresentation of facts*: a person commits fraud if they deliberately misrepresent facts in order to create an error.
- *Concealment of information*: a person commits fraud if they deliberately conceal information in order to cause a mistake.
- *Abuse of position*: a person commits fraud when they dishonestly abuse their position.

Fraud is any attempt to gain financial or other advantages by dishonest or fraudulent means. Fraud is often about gaining an advantage for oneself or others, even though this is neither morally nor legally justifiable. However, it is not necessary for there to be a profit motive in order to commit fraud. For example, the desire to avoid criticism, to gain an advantage for FIMA Maschinenbau GmbH or to cover up an inadvertent mistake can lead to actions that would be considered fraud under this policy.

### **Application**

FIMA Maschinenbau GmbH considers the following to be a non-exhaustive list of its principal fraud risks:

1. financial reporting
2. cybercrime
3. misappropriation of assets
4. procurement/expenses
5. management override
6. bribery and corruption
7. tax fraud
8. deceptive or misleading business practices
9. theft of intellectual property

The following are examples of fraudulent acts that may be committed by or against FIMA Maschinenbau GmbH:

- Theft, misuse or theft of property, equipment, funds, materials, records or other assets of FIMA Maschinenbau GmbH
- falsifying financial statements and/or misrepresenting financial or non-financial facts for personal gain or for the gain of others (e.g. time sheets, expense reports, purchase orders, budgets, payments to government authorities)
- any activities in which data is altered, destroyed, copied or manipulated for inappropriate purposes
- any activities in which FIMA Maschinenbau GmbH is given advantages through false statements of fact (e.g. price fixing).

In a case of fraud, one or more persons may act in collusion with each other, regardless of whether they are employed by FIMA Maschinenbau GmbH or not.

#### *Reporting incidents and countermeasures*

All employees can contribute to the effective prevention, detection and/or reporting of bribery and fraudulent activities. Every employee is obliged:

- always to act with integrity and honesty.
- to immediately report any suspicious activity or issues that arise; and to provide full assistance in any internal or external review or investigation.
- All fraud or suspicions must be reported at the earliest possible stage. The Head of HR must be notified of any potential disciplinary proceedings. The decision to involve the police or another external authority is made by the Head of HR. If external authorities are involved, the Works Council must be informed. Employees who commit fraud and thus violate this policy must expect disciplinary measures up to and including dismissal.

FIMA Maschinenbau GmbH will take appropriate and effective measures against any person or group that defrauds the company, its shareholders, customers and employees.

#### *The following actions are strictly prohibited at FIMA Maschinenbau GmbH:*

Offering, soliciting or accepting bribes, whether monetary or in the form of other inducements:

- by or to any person or company, regardless of where in the world they are located and whether they are a private individual or a private company or a public official or a government institution.
- by an individual employee, agent or other person or organization acting on behalf of FIMA Maschinenbau GmbH
- for the purpose of obtaining commercial, contractual or regulatory advantages for FIMA Maschinenbau GmbH in an unethical manner or for the purpose of obtaining personal advantages - financial or otherwise - for that person or anyone associated with that person
- Offering or paying donations to political parties in any commercial capacity.

## **Gifts**

We do not accept gifts that could cast doubt on our personal integrity. Even if gifts are exchanged out of the sincerest motives of personal or professional friendship, they may be misunderstood and perceived as an attempt to exert undue influence. We must not offer or accept gifts that could cast doubt on our personal integrity or the integrity and independence of FIMA Maschinenbau GmbH could give rise to doubts.

To avoid both the facts and the impression of unfair business relationships with existing or potential business partners (from the public or private sector), FIMA employees must adhere to the following principles:

- Gifts may only be offered if they are appropriate and if no impression can be created that the recipient has been influenced in their decision-making process.
- Gifts may only be of low value and may not exceed a reasonable amount. Lavish or inappropriate gifts are prohibited.
- It is forbidden to solicit or demand gifts. This includes not only valuable items, but any kind of advantage.
- Unsolicited gifts may only be accepted if they do not go beyond a courtesy within the usual framework and correspond to recognized local business practices.
- If in doubt as to whether an unsolicited gift can be accepted, employees must contact their line manager.

All employees are expected to:

- ensure that the offering and acceptance of gifts cannot give rise to doubts about their personal integrity or the integrity and independence of FIMA Maschinenbau GmbH.
- never solicit or demand gifts from existing or potential business partners of FIMA Maschinenbau GmbH.
- contact our superior in cases of doubt.

## *Violations*

It is not permitted to engage in activities that could lead to a violation of this policy. Any employee who violates this policy will be subject to disciplinary action, which may include dismissal for misconduct or gross misconduct.

Relationships with other individuals and organizations working on our behalf may be terminated if they violate this policy.

## **Final provision**

This policy is effective immediately and will be reviewed annually to ensure that it continues to meet the needs of the company and its employees. Changes and amendments to this policy require the approval of the company management and will be communicated to employees in a timely manner.

Date: 02.04.2015

Signature:  \_\_\_\_\_

(Name and position) Michael Hansen, CEO