

Anti-Corruption Guidelines

Contents

1.	Introduction.....	2
2.	Purpose, scope and application area	2
3.	Responsibility and reporting.....	2
4.	Giving and receiving benefits.....	3
4.1	Assessing whether or not the benefit is inappropriate	3
4.2	Permitted benefits	3
4.3	Prohibited benefits	3
4.4	Offers to public officials	4
4.5	Offers to Private Sector employees.....	5
4.6	Accepting gifts, meals and events	5
4.7	Accepting appointments and similar offers.....	6
5.	Special issues	6
5.1	Sponsorship and support, sales-promoting activities and marketing	6
5.2	Agents and other business partners.....	7
6.	Follow-up and updating	7

Annex 1 Monetary thresholds for providing gifts and entertainment

1. Introduction

Corruption generally means exploiting your position to gain an inappropriate advantage for your own or someone else's gain, such as by giving or receiving bribes or other inappropriate benefits. It may be enough to offer, promise or demand something and the gain does not have to be received for the conduct to be an offence.

The existence, or suspicion, of bribes or inappropriate benefits has a serious impact on the operation. Bribes and inappropriate benefits result in higher costs and distort competition on the market. Furthermore, the operation's reputation and brand risk being damaged, and confidence among customers and other business contacts, as well as the public, is harmed.

2. Purpose, scope and application area

The Bulten Group is committed to complying with anti-corruption laws in all jurisdictions where we do business and to compete fairly and with integrity. We do not participate in or endorse any corrupt practices, corrupt payments or facilitation payments.

As stated in Bulten's Code of Conduct and Anti-Corruption Policy, Bulten Group representatives shall not offer any rewards or benefits in violation of applicable laws or of Bulten Group's policies or guidelines to customers, potential customers, suppliers, consultants, public sector employees, or any government representative.

These guidelines apply in all operations that come under the influence of the Group and shall be applied by all employees, contractors and elected representatives within the Group. Bulten also expects suppliers, business partners, agents and other collaborating partners to apply its Code of Conduct, Anti-Corruption Policy and these guidelines or corresponding principles.

3. Responsibility and reporting

Each manager within the Bulten Group is responsible for ensuring his or her employees read and understand Bulten's Anti-Corruption Policy and these guidelines.

Each employee, contractor and elected representative is responsible for always acting in accordance with the applicable legislation and regulations, the Anti-Corruption Policy and these guidelines. Furthermore, they shall always act in such a way that Bulten's professionalism and objectivity cannot be called into question.

If there is any uncertainty regarding how these guidelines should be applied, firstly contact your immediate or superior manager and secondly the Senior Vice President HR & Sustainability.

All employees, contractors and elected representatives within Bulten are expected to report behavior or conduct that is, or may reasonably be considered a breach of legislation, the Code of Conduct, the Anti-Corruption Policy or these guidelines. The incident shall be reported to your immediate manager or superior manager or according to local reporting procedures. If there are any questions on the reporting procedures and/or the interpretation of the policy, employees and managers can contact the SVP HR & Sustainability. Bulten expects managers to take reported incidents seriously and to deal with them in accordance with laws and Bulten's policies and values.

Bulten will not accept any discrimination or reprisal against employees or elected representatives who in good faith report an actual or suspected infringement.

4. Giving and receiving benefits

Within Bulten there is a complete ban on giving, promising, offering (in the following context 'giving') for yourself or someone else, and on receiving, approving a promise of or requesting (in the following context 'receiving') benefits which could constitute a bribe or could otherwise be inappropriate or prohibited. There is, however, some scope for giving or receiving hospitality or benefits to a reasonable extent as part of one's job to help build and maintain good business relations. It may be difficult to judge where the line is between what is permitted and prohibited, and what is appropriate and inappropriate. These guidelines provide guidance in this judgment.

4.1 Assessing whether or not the benefit is inappropriate

The following circumstances must be considered in assessing whether or not a benefit is inappropriate:

Openness: The requirement on openness means that a benefit should normally be passed directly to the other company, be or be assumed to be approved by that company, or be consistent with that company's established policy regarding benefits. The benefit must also be openly reported internally and properly accounted for.

Moderation – the value, frequency and nature of the benefit: The requirement on moderation means that the benefit must not appear to influence the recipient's behavior. Local customs should also be observed when judging what is moderate.

If several benefits are offered to or received by a single employee or contractor, these benefits should be judged in full context.

4.2 Permitted benefits

Benefits which have a functional or social justification and which may be viewed as a natural part of accepted behaviour in commerce or in the relation between commerce and public bodies are generally permitted. With foreign relations, special consideration must be given to what are locally considered acceptable forms of behavior in commerce.

The general guideline is that a benefit may be given to an employee or contractor in another company or received if the benefit is

1. moderate
2. given openly and
3. is not prohibited

4.3 Prohibited benefits

Benefits are prohibited and may never be given or received if the benefit might *typically* influence the recipient's behavior or decision in carrying out his or her work tasks or assignment. It is irrelevant whether or not the recipient has actually received or accepted the benefit or whether or not it has actually affected the recipient in their job.

Examples of benefits that are always prohibited:

- monetary gifts, gift cards or similar;
- alcohol;
- loans, covering a debt, security, concessions on receivables or similar that are not in line with market conditions;

- irregular or concealed discounts;
- concealed provisions or 'kick-backs' to individual employees or contractors;
- side deliveries of goods or services;
- use of a vehicle, boat, summer house or other comparable asset for private purposes;
- wholly or partially paid pleasure trips or vacations;
- benefits that carry conditions regarding certain conduct for the giver.

The above benefits may never be given or received either by employees or contractors in another company or in public bodies.

4.4 Offers to public officials

Public officials, including employees of publicly owned companies or private companies that operate with public funding, are particularly sensitive from the perspective of offering gifts and entertainment. Consequently, caution must be exercised in relation to public officials when considering to offer gifts, meals or similar, particularly if there is an on-going tender or proceeding where the public official is involved in the decision-making.

One particular aspect of relationships with public officials relates to facilitation payments. Facilitation payments are small cash payments to a public official in order to get a service or an issue handled that you are entitled to. Examples are payments to a customs official in order to receive the customs clearance you are entitled to or to get the appropriate visa you are entitled to. Facilitation payments are bribes and must not be made. If you are requested to make a facilitation payment, please contact your manager immediately for support.

Gifts

Gifts of token value, preferably Bulten promotional items, may be given in connection with business meetings, plant and company visits or similar events. Gifts with no specific business purpose may not be offered.

Bulten employees shall observe the following rules when offering any gift:

- i. The gifts estimated cost does not exceed the limits under applicable laws and the internal guidelines of the recipients' employer. Guidance on monetary limits is provided in [Annex 1](#);
- ii. The gift is lawful and cannot reasonably be perceived as an attempt to unduly influence the recipients' decisions or work;
- iii. The gifts are not offered more than once per year;
- iv. The gift is not initiated or requested by the public official.

Meals

Bulten may invite public officials to meals but only if:

- i. The meal is moderate, i.e. that the estimated cost per head does not exceed the limits under applicable laws and the internal guideline of the recipient's employer;
- ii. The meal is lawful and cannot reasonably be perceived as an attempt to unduly influence the recipients' decisions or work;
- iii. The meal is not offered more than once per year

Events, travel and accommodation

Bulten may under very limited circumstances invite a public agency (but not a specific public official) to a specific event if all the conditions below are met:

- i. The event is in Bulten's legitimate business interests;
- ii. The invitation is addressed to the public agency and not to an individual public official
- iii. The event and its activities are documented by a written program agenda consisting of at least 90% business related content;
- iv. The geographic location and any side activities are justifiable;
- v. All gifts and meals comply with this guideline;
- vi. No spouses or family members may be invited;
- vii. The recipients Public agency's own policies permit receipt of the offer; and
- viii. Bulten does not pay for any travel or accommodation.

Any events involving public officials must be pre-approved by the President and CEO.

4.5 Offers to Private Sector employees

The aim of meals and events should be to build and maintain good business relations. These benefits, like other benefits, may be given or received if they form a natural, useful part of the job. In addition to the general guidelines above regarding assessment of the benefit's level of moderation and openness, the following shall apply.

Gifts

Exercise good judgment when considering whether a gift is appropriate. Gifts should preferably consist of promotional items. All gifts must comply with all applicable laws and the recipient's own internal guidelines. Gifts should neither be extravagant nor create any perception of an attempt to unduly influence the recipient's decisions or work. Guidance on monetary limits is provided in Annex 1.

Meals

Bulten may offer ordinary meals in connection with negotiations or legitimate business activities. Meals unrelated to specific business activities may not be offered more than twice per year to the same individuals. Guidance on monetary limits is provided in Annex 1.

Events, travel and accommodation

Bulten may invite private sector employees to an event if all the following conditions are met:

- i. The event and its activities are documented by a written program agenda consisting of at least 50% business related content;
- ii. The geographic location is justifiable and the side activities are moderate;
- iii. All gifts and meals comply with this guideline;
- iv. No spouses or family members may be invited;
- v. The recipient's own internal policies permit receipt of the offer; and
- vi. The travel and accommodation expenses are not covered by Bulten

Any deviations from the above conditions must be pre-approved by the President and CEO.

4.6 Accepting gifts, meals and events

The Bulten Group maintains business contacts with suppliers and other business partners. Bulten Group employees must adhere to high ethical standards, integrity and objectivity in all business processes and ensure that their behavior builds and supports Bulten Group's reputation.

Consequently, Bulten Group employees shall never accept anything of value from past to present or future potential suppliers or anyone that could affect or appear to affect Bulten Group employees' objectivity in business decisions. Employees may never place themselves in a position of dependence which would give a supplier undue influence on the employee personally.

If you are offered anything that you consider to be in violation of these guidelines, please report the matter to your manager immediately.

Accepting gifts

A Bulten Group employee may accept promotional items of token value, preferably with the logo of the supplier clearly displayed and handed over in connection with business activities, such as meetings, company visits and similar events. If non-acceptance of the gift would risk being seen as an insult, and would risk jeopardizing the business relations, immediately report the matter to your manager if so instructed and give the gift to the company.

Accepting meals and events

A Bulten Group employee may accept invitations for meals in connection with negotiations and business meetings, provided the meals are moderate. If the invitation is not linked to an on-going negotiation or business transaction, i.e. with no specific business purpose, prior approval from your manager is needed to avoid any perception of undue influence. Bulten Group employees are not allowed to participate in lotteries or raffles organized by a supplier or business partner.

Any other invitation such as invitations to concerts, sports events, conferences or supplier events must be pre-approved by your manager. Such pre-approval is more likely if:

- i. the event has a clear, identifiable business purpose
- ii. the invitation is made to the Bulten Group and not to the individual employee;
- iii. the invitation includes an agenda, showing that the main part of the event concerns relevant business activities such as exhibitions, presentations, plant visits etc;
- iv. gifts, meals and any other entertainment (i.e. concert or sport event) are of moderate value and in line with these guidelines; and
- v. the Bulten Group pays for travel and accommodation (if any).

4.7 Accepting appointments and similar offers

One particular aspect of the above is if a Bulten Group employee is asked by a supplier or a business partner to take a seat on a board of directors of either a company or a charitable organization. Since this may be seen as a conflict of interest and affect or appear to affect the objectivity of the Bulten Group employee, the employee should report the matter to his/her manager and ask for approval in advance. If the approval is not given, the Bulten Group employee may not take the offered seat in the board.

If you are offered anything that you consider to be in violation of these guidelines, please report the matter to your manager immediately.

5. Special issues**5.1 Sponsorship and support, sales-promoting activities and marketing**

Special rules for sponsorship, sales-promoting activities, support for political parties and individual politicians, and marketing can be found in Bulten's Communication Policy and Code of Conduct.

5.2 Agents and other business partners

If an agent or other business partner should act inappropriately, this could cause significant harm to the operation that comes under the Group's influence. Agents and other business partners should therefore be selected carefully to avoid the risk of legal liability and/or damage to Bulten or its goodwill. The agent's or business partner's policy, if any, should be checked with regard to Anti-Corruption, as well as the agent's or business partner's background with regard to corruption. This should be part of Bulten's initial evaluation and monitoring of business partners. If such a check should reveal a circumstance that gives reason to question the agent or business partner, the check should be expanded to a deeper analysis. This could for instance be done by asking direct questions, demanding to see relevant documentation, or speaking to the organization's auditor and management.

Agreements with agents and other business partners should include a condition that the business partner agrees not to give or receive bribes or other inappropriate benefits, and that relevant companies that come under the Group's influence may terminate the agreement should the agent or business partner give or receive such bribes or benefits.

Business contacts with people that an employee within the operation that comes under the Group's influence has a personal friendship with should be avoided and/or carefully considered.

6. Follow-up and updating

These guidelines shall be reviewed and updated as required. Each manager of a subsidiary is responsible for ensuring compliance with these guidelines, and ultimate responsibility lies with the President and CEO of Bulten. Follow-up shall take place regularly and the SVP HR & Sustainability is responsible for proposing changes to the policy if so required. Changes are to be approved by the President and CEO of Bulten.

REMEMBER!

If in your work you are offered or intend to give some kind of benefit, always ask yourself the following questions:

- 1) Why is it/this being offered to me? Why am I offering/giving/promising this?***
- 2) Is there a link between the benefit/service/gift and the job?***
- 3) Is the offer permitted according to law, Bulten's Anti-Corruption Policy and Guidelines or the recipient's corresponding principles?***
- 4) Would it feel all right if an auditor and/or the mass media should scrutinize the offer?***

Related documents:

- Anti-Corruption policy
- Code of Conduct
- Communication policy