

Anti-Bribery & Anti-Corruption (ABAC) Policy

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Approved	by: Michael Albers	on: 5 July 2017	
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Type of document	<input type="checkbox"/>	Description of process	Announcement
	<input type="checkbox"/>	Contract	Work aid
	<input type="checkbox"/>	Training material	Checklist
	<input type="checkbox"/>	Certification, e.g. training certification	Work instructions
	<input checked="" type="checkbox"/>	Policy	Other documents

History

Version	Approved by	Date	Remarks
1.0	Heiner Junker	4 December 2014	Drafting of the Policy
1.1	Michael Albers	5 July 2017	Adapted Creator and "Approved by"

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1. Introduction

1.1 Background

For the purposes of market research projects, Produkt + Markt assumes the task of developing the concept and methodology of research objectives defined by the client; organising and monitoring the operational execution of data collection; and preparing the research results as regards the key research questions and analysing them in a neutral and impartial manner. Our customers are confident that every employee acts in a legally sound and compliant manner, and that our company's values are embraced. In this way, you help to protect our company from corruption.

This Policy sets out the principles and rules for preventing corruption, and describes how these principles and rules are implemented.

1.2 Scope and Application

This Policy covers various situations in which issues of bribery could occur during the fulfilment of customer requirements. The Policy applies to all employees of Produkt + Markt GmbH & Co. KG.

2. Principles and Rules

2.1 Definition

The core element of corrupt behaviour is the exploitation of a position of power for personal gain with disregard for universalist behavioural norms, be they moral standards, official duties or laws. Corruption is social interaction where the parties involved exchange advantageous benefits, such as decision-making influence for money. Bribery constitutes the giving, offering or accepting of an unfair advantage so as to influence a person's behaviour or to secure a commercial advantage. Bribery is an area of corruption – according to the Bundeskriminalamt, corruption is defined as the “abuse of a public office, a position in the economic sector or a political mandate in favour of a third party, upon their instigation or one's own initiative to obtain an advantage for oneself or a third party (...)”¹. Transparency International refers to corruption as the abuse of entrusted power for private gain².

Bribery can take different forms, such as offering money or other valuables, or tangible and intangible benefits. Gifts and hospitality may also constitute bribery.

2.2 Rules for the Prevention of Corruption and Bribery

Produkt + Markt takes a zero-tolerance approach to corruption and bribery. Irrespective of this, situations may arise that do not constitute corruption or bribery but may have the propensity to compromise the judgement of our employees, customers and business partners. The following paragraphs contain rules of conduct to help prevent such situations.

2.2.1 Acceptance of Gifts and Other Benefits

- (1) It is usual business practice for business partners to give gifts and gratuities, to a certain extent. However, they may present the potential for a conflict of interest and be a threat to the reputation of Produkt + Markt.
- (2) The receipt of gifts and other benefits is generally prohibited if the interests of Produkt + Markt are affected or the professional independence of its employees may actually or seemingly be jeopardised.
- (3) The receipt of gifts and other benefits is not prohibited if the following requirements are met:
 - The value of the gift does not exceed the benchmark level of €15 within the European Union. A comparable level, adjusted to local standards, is applicable for other regions. In case of doubt, the Board of Directors should be consulted.
 - Any gifts and other benefits exceeding this amount that cannot be refused for the sake of the business relationship should be donated to charity.
 - Invitations to business lunches or dinners may generally be accepted, provided that they remain within an acceptable financial framework.
- (4) For invitations to events that are not predominantly of a business nature, such as concerts, theatre performances, sport events and other evening events, including seminars and conferences with a programme mainly aimed at entertainment, the following applies:
 - As a general rule, each employee shall consider whether his or her participation in the event is in line with normal business practice. This generally means that the host is present, that the employee does not repeatedly participate in such events, and that travel or accommodation costs are not borne by the inviting business partner. In case of doubt, the Board of Directors should be consulted. The line manager must be notified in all cases.
- (5) Gifts and other benefits received by employees may be subject to personal income tax. Care must therefore be taken that the handling of gifts and other benefits within a Group company is in line with the applicable tax laws and the provisions relating to financial management. If

gifts and other benefits are subject to personal income tax, it may be advisable to immediately pass on such gifts to a non-profit organisation to avoid tax liability.

2.2.2 Gratuities to Representatives of Public Institutions

Holders of public offices, representatives of public institutions, civil servants, public sector workers and politicians are mandated to pursue the public good. For this reason, they may not receive, either directly or indirectly, gifts, gratuities or invitations to events which might compromise their independence from business interests. Representatives of public institutions, civil servants and public sector workers may never receive, either directly or indirectly, gifts or other benefits addressed to them personally. This is not the case with gifts or invitations that express appropriate respect for the public office or political role. Any such gifts and invitations may only be made by, or on behalf of, a member of the Board of Directors.

2.2.3 Political and Charitable Donations / Sponsorships

Donations and sponsoring may only be awarded in the framework of the respective legal system and in accordance with the provisions in force. Decisions to make donations must be taken by the Board of Directors. Produkt + Markt does not donate to any political parties or religious organisations.

2.2.4 Granting of Gifts and Other Benefits / Invitations to Entertainment Events

The granting of gifts and other benefits or invitations to events that are not predominantly of a business nature (entertainment events) are to a certain extent in line with normal business practice and a legitimate means to build and strengthen business relationships. However, such activities may, under certain circumstances, compromise the professional independence of the parties involved. Particular care must therefore be taken to avoid any semblance of a conflict of interest or the potential for an attack on the reputation of Produkt + Markt.

For these reasons, the following rules must be observed: benefits or invitations to entertainment events may never be granted or offered with the intention of obtaining improper business advantages. This also applies if there is a concern that such an intention could be implied or a conflict of interest assumed. Gratuities and invitations to entertainment events may not be inconsistent with the recipient's compliance rules or the local business standards.

Before making any such gift or invitation to an entertainment event, employees must therefore find out about such standards and rules.

Any granting of benefits must be transparent:

- Any invitations and gifts may only be directed at or delivered to the recipient's business address
- The granting of benefits that exceed the benchmark level of €15 and any invitations to an entertainment event beyond a normal business lunch or dinner must be reported to the line manager.

In case of doubt, the Board of Directors shall be consulted. This is also the case for assessing whether or not fees for speeches, publications or comparable services and the corresponding reimbursement of costs exceed an appropriate amount.

2.2.5 Cooperation with Third-Party Companies

For the purpose of providing the SERVICE, depending on the requirements of the project in each case, third-party companies are used for the purpose of providing market research services (partial services) that influence to varying degrees the fulfilment of the service (→ Compare document SOP "SUB_001_SOP_Subunternehmer.docx"). For the purpose of providing the service, Produkt + Markt may only commission third parties if the services or products offered by third-party companies are appropriate; they meet customer requirements; and the price of the services purchased is in line with market conditions.

In the case of commissioning a third-party company, a written contract shall be concluded.

2.2.6 Documentation and Accounting

The integrity of Produkt + Markt is dependent on the correctness, completeness and accuracy of its accounts and business records. The principles of proper accounting and the statutory provisions relating to accounting apply.

All accounting documents, employee records, expense claims, application forms and other business ledgers and documents must reflect all underlying transactions precisely and appropriately. It is the responsibility of each employee to ensure that every transaction is authorised and that receipts, expenses, cash book entries, etc. are exact. The wording of these documents must clearly state the reason and purpose of each transaction; documents must be kept in a safe place. It is forbidden to make false or fictitious entries in the books and records of Produkt + Markt.

No payment may be approved or made on behalf of a business unit if there is a direct or indirect agreement or intention to use this payment for any purpose other than that specified in the payment documents. Produkt + Markt maintains accounting records that precisely and adequately document sources of revenue in detail. All financial transactions must be documented, regularly reviewed, and registered in books and records.

3. Implementation

3.1 Training Measures

All Produkt + Markt employees must familiarise themselves with the anti-corruption regulations and undergo regular training. In this connection, the training measures include

- Basic training in the SOP (cf. "PUM_006_CHL_On_Offboarding.docx" → cf. SOP "PUM_001_SOP_Personalentwicklung.docx")
- Refresher training (every three years)
- Customer-specific training based on training material provided by the client.

Participation in the training sessions is documented according to requirements by the group of people authorised to do so by the management.

3.2 Misconduct

Any breach of this Policy may result in employees and Produkt + Markt being exposed to reputational risks as well as legal disadvantages. In addition, any breaches that constitute a breach of employment duties may result in disciplinary measures being taken by Produkt + Markt.

Employees who violate legal provisions and internal corporate guidelines will be subject to sanctions under employment law, ranging from warning notices to termination of the employment contract.

3.3 Protection of Employees who Report about Illegal or Improper Acts

If an employee becomes aware of any illegal or improper act within Produkt + Markt, the Board of Directors shall be informed. No employee who reports a concern in good faith will be subjected to any detriment as a result, even if the allegation is found to be unsubstantiated. Such concerns may also be reported anonymously.

Bibliographical references:

1. Werner Vahlenkamp, Ina Knauß: Korruption: Ein unscharfes Phänomen als Gegenstand zielgerichteter Prävention. (BKA-Forschungsreihe, Volume 33). Wiesbaden 1995, p. 20 f.
2. Hochspringen ↑ FAQs on corruption. 5 March 2012, accessed on 16 December 2012. (Engl.).

Review process

	Date	Processed by
Adapted Creator and "Approved by"	5 July 2017	S. Aurin
Approval by the competent Managing Director	5 July 2017	M. Albers