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# Anti-Corruption Directive

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Rolf Broglie  
Chairman of the Board

Philip Mosimann  
CEO

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# 1 Introduction

## 1.1 Introduction

In virtually every country of the world, corruption and bribery are criminal offences that carry a fine or a prison sentence. As a result, Article 5 of the Bucher Group Code of Conduct prohibits all forms of corruption and bribery. The purpose of this Anti-Corruption Directive ("Directive") is to give substance to Article 5 and raise employees' awareness of the dangers of corruption. This Directive therefore amends the Code of Conduct and also enhances the Bucher Group worldwide compliance programme by laying down specific rules of conduct.

Managers, employees and business partners of the Bucher Group must not engage in corrupt practices, irrespective of the country in which they operate.

## 1.2 Scope and responsibility

This Directive applies to all employees of Bucher Industries and all of its affiliated Group companies (Bucher Group). All Bucher Group managers and employees must be truthful, accurate and ethical in their dealings with public officials and individuals acting on behalf of or employed by companies or private sector entities, and familiarise themselves with local laws in the countries in which they conduct business.

# 2 Definitions

## 2.1 Corruption

Corruption is the generic term for all forms of bribery and corrupt practice. Corruption means the abuse of power or authority for personal gain. Such practices are unlawful. It is illegal to pay a bribe to or receive a bribe from any person (whether in the public or private sector), whether paid or received directly or indirectly. This anti-corruption rule will apply even if the promise or offering of an advantage does not induce a business partner to act in a particular way. There is no need for the bribe to be successful to be viewed as corrupt; the offering of it is enough to amount to a criminal offence. The various forms of corrupt practice are defined in the following section.

## 2.2 Bribe or bribery

A bribe or bribery can be either "active bribery" or "passive bribery".

**Active bribery** is the offering, promising, giving or holding out the prospect of anything of value, whether financial or otherwise, with the object of improperly influencing another person in order to obtain business or some other advantage.

**Passive bribery** is the opposite of active bribery. It means the solicitation or acceptance of anything of value as an inducement or reward to act improperly in relation to the awarding of business or some other advantage.

**Bribes** can include money, gifts, hospitality, expenses, reciprocal favours, political or charitable contributions, or any direct or indirect benefit or consideration.

**Bribery** can be carried out directly or indirectly. Indirect bribery generally involves the use of intermediaries to engage in acts of bribery for the purposes of concealment or the circumvention of anti-corruption rules. Under the laws of some countries, the Bucher Group can be held liable for bribes paid by intermediaries on its behalf, even if it did not know that the bribery was taking place.

Examples of indirect bribery:

- bribes disguised as "payment" for services, where the amount of the payment, based on a realistic assessment, is disproportionate to the services provided;
- discounts or bonuses granted for corrupt purposes;
- issuing inflated invoices ("overpricing"/"kick-backs").

### 2.3 Managers

**Managers** include Group Management members, members of management and senior executives at Group companies and Group Compliance Officers.

### 2.4 Employees

**Employees** include all individuals performing duties on behalf of Group companies.

### 2.5 Intermediaries

An **intermediary** performs work on behalf of a Group company, either in its own name or in the name of the Group company, and can include, for example, advisors, agents, sub-agents, brokers and consultants.

### 2.6 Undue advantage

**Undue advantage** means any benefit to which the person accepting the bribe is not entitled and that is designed to improperly influence the actions of the individual being bribed, or to foster a relationship of control that places the individual under an obligation.

### 2.7 Public officials

**Public officials** are any individuals acting in an official capacity or on behalf of a public, political or military establishment or organisation, e.g. governments, ministries, government agencies, political parties, courts, candidates for public office, employees of government-owned or -controlled companies (e.g. a doctor in a state-controlled hospital), national or international organisations (e.g. the United Nations). Individuals working for private-sector companies are deemed to be public officials if a public-sector entity controls a private-sector company, for example by holding a majority interest.

## 3 Forms of bribery

### 3.1 Introduction

The Bucher Group recognises that the giving and accepting of benefits, such as gifts, entertainment and hospitality, can be part of the process of building normal business relationships. This practice can vary significantly among the various geographical locations in which Bucher Group companies do business. However, regardless of local laws and customs, the giving and receiving of certain gifts and hospitality can lead to the suggestion that an improper influence has been asserted, either on or by the Bucher Group, or that a conflict of interest has arisen. In some instances the giving and/or receiving of gifts and hospitality can be interpreted as a bribe, which is unlawful and which damages the reputation of the Bucher Group.

The following criteria can be used to determine whether a benefit is reasonable and appropriate in the circumstances and therefore acceptable, or is indicative of criminal activity:

- value of the benefit,
- social appropriateness,
- beneficiary's position in the official hierarchy or within the company/organisation, or
- the frequency of occurrence and the purpose for which the benefit is conferred.

To assist in distinguishing between undue advantages and acceptable benefits, the most common types of undue advantage are described below.

### 3.2 Gifts

A gift or present is the transfer of anything of value to another person without the expectation of something in return. Gifts are not permitted to be given or accepted if they are of such a high value that they may improperly influence the recipient's actions or foster a relationship of influence that places him under an obligation. No gifts are permitted in the form of cash or cash equivalents (e.g. travel vouchers or personal cheques).

Permitted gifts:

- Gifts must not be used as a way of exerting influence over the recipient.
- The value of the gift bestowed or accepted must be modest and not of an amount that could influence the conduct of the recipient (e.g. a client).
- Gifts may be given or accepted only "in the interests of cordial relations" and provided the benefit is not given for a particular reason or conferred on repeated occasions. The giving of gifts in the public sector is an especially sensitive issue.
- Gifts must not be given to an individual in the public or private sector if it has a value in excess of 100 euros in the European Union or, in countries with less purchasing power, the economic equivalent in the local market and currency.
- If an employee receives a gift with a perceived value of more than 100 euros in the European Union or, in countries with less purchasing power, the economic equivalent in the local market and currency, the employee should return the gift or, if this could cause offence, the employee should obtain the approval of the managing director.
- The cost of any gifts and other benefits must be duly recorded and accounted for.
- The line manager, managing director of the Group company concerned or a compliance officer should be consulted where there is any doubt about offering or accepting a gift.

Permitted gifts include token gifts and benefits consistent with standard social practice, where the value of the gift is not the primary consideration, does not exceed the amount stated above, and the gift is not given with a view to obtaining some other benefit in return. Gifts must always be sent to the beneficiary's official business address and not to his home address.

### 3.3 Invitations and hospitality

In the same way as gifts, invitations to corporate hospitality or entertainment may not be issued or accepted if they are of such a high value that they are capable of influencing the recipient's actions or of fostering a relationship of control that places him under an obligation. This rule extends to issuing or accepting invitations for events or trips that include overnight accommodation. Any exceptions to the rule, e.g. issuing or accepting invitations that extend over several days, must first be approved in writing by the managing director of the Group company concerned. Invitations must always be sent to the recipient's official business address, and an internal written record must be made detailing the invitation.

Permitted invitations:

- The costs or value of any invitation must be moderate and appropriate under the given circumstances and must not impair the independence or influence the actions of the recipient.
- Invitations in the public sector are an especially sensitive issue.
- The total value of the invitation in any given instance must not create the impression that a specific action or service is expected from the recipient in return.
- Any employee who is in doubt as to whether to issue or accept an invitation must refer to the relevant Group company policy or contact his line manager, the managing director of the Group company concerned or a compliance officer.

### 3.4 Charitable and political donations

A **donation** is a gift that may take various forms, typically given for charitable purposes and/or to benefit a cause, without the expectation of a return.

- In addition to political donations, donations to charitable or other not-for-profit organisations may also be intended or used as a means of gaining undue influence over the decisions of individuals associated with such organisations. Also, any public sector or political donation can imply a political affiliation. Public sector and political donations are therefore a particularly sensitive area.

Charitable or political donations may be made for altruistic reasons, but not for any business purpose. The following requirements must be met:

- Donations are permitted only if they are not of such high value to create a state of obligation on the part of the recipient.
- Charitable donations must only be made to genuine, registered charities.
- The value of any donation must be appropriate and must not compromise the independence of the recipient.
- All donations, whether of private, public or political nature, must always be approved in advance by the managing director of the relevant Group company.
- The managing director will refer donations with a value above 1000 euros in the European Union or, in countries with less purchasing power, the economic equivalent in the local market and currency, to the Group Management member responsible, who must authorise such donation.

### 3.5 Sponsorships

**Sponsorship** refers to the support of an event, activity, person or organization, by financial means or through the provision of products or services, that is provided with the expectation of a commercial return. Caution is advised especially if the sponsorship involves paying money or providing other benefits to individuals. Caution should also be exercised in situations where the sponsor receives special favours or concessions for the sponsored event, or where such benefits could be used for the purposes of corruption. Any public sector or political sponsorship can imply a political affiliation. Public sector and political sponsorships are therefore a particularly sensitive area.

The following requirements must be met:

- Any sponsorship, whether of a private, public or political nature, may only be entered into with the advance approval of the managing director of the relevant Group company.
- The managing director will refer any sponsorships with a value above 1000 euros in the European Union or, in countries with less purchasing power, the economic equivalent in the local market and currency, to the Group Management member responsible, who must authorise such sponsorship.

### 3.6 Facilitation payments

**Facilitation payments** are usually small sums of money or other benefits offered to public officials to secure or expedite the performance of a routine or necessary action, to which the payer of the facilitation payment has a legal entitlement in any event without making a payment (e.g. the issue of licences, visas or permits, the installation of telephone lines, customs clearance for goods, police protection and mail pick-up or delivery). Payments in cases of extortion, involving danger to life and limb, liberty and safety, are not considered facilitation payments.

Facilitation payments are unlawful in most of the countries where the Bucher Group is active. Although local practice might not be in line with local law, the Bucher Group is committed to refraining from any facilitation payments, regardless of local custom.

If the Bucher Group company has a legal entitlement to performance of an action concerned and performance can only be secured with a facilitation payment, the matter has to be submitted for decision to the managing director of the relevant Group company.

### 3.7 Overpricing/kick-backs

Managers and employees of the Bucher Group must not engage in corrupt practices such as overpricing and kick-backs. Overpricing or kick-backs are undue advantages used for purposes of corruption, e.g. payments, fees, loans, gifts, commission, valuables or other benefits. Inflated prices for goods or service are often charged to disguise undue advantages (kick-backs) to employees, customers, intermediaries or third parties, with the resulting surplus used with the intention to corrupt.



## 4 Intermediaries

### 4.1 Introduction

Intermediaries may operate and perform services on Bucher Group companies' behalf in a number of situations.

Intermediaries must be selected with care, especially in countries that are particularly susceptible to corruption. The Transparency International Corruption Perceptions Index provides an indication of perceived levels of corruption in different countries.

### 4.2 Working with intermediaries

While working and engaging with intermediaries, attention should be paid to the following matters:

- Intermediaries must not be involved in bribery or any other corrupt practices.
- Agreements with intermediaries must be in writing.
- The consideration for the service must be in reasonable proportion to the work performed, and both the service and consideration must be recorded in writing.
- Payment may only be made once services have been performed.
- Payment should only be made to one bank account in the name of the intermediary or any of its affiliates and in the country where the intermediary is located or business is to be performed. In addition, payments should not be split among multiple accounts. Exceptions may only be entered into with the advance written approval of the responsible Group Management member.
- The payment terms must be set out in the written agreement.
- Payments may only be processed through officially registered banks that are recognised in the respective country.
- Payments with cash or cash equivalents (e.g. personal checks or travel vouchers) are not permitted.

### 4.3 Anti-corruption clause

The Bucher Group expects its contracting partners to act fairly and lawfully in all their business dealings. It is therefore important to ensure that any agreements with intermediaries include an anti-corruption clause. A sample clause is provided in Appendix 1.

## 5 Secret accounts

Secret accounts are "off the books" accounts, i.e. not recorded in the books of account of Group companies, or accounts recorded in the books of account that do not properly reflect the transactions to which they relate.

Managers and employees of the Bucher Group are not permitted to maintain secret accounts. Any cash, bank accounts and other accounts must be properly recorded in each of the Group company's books of account and allocated to the transactions to which they relate.

## 6 Rules of conduct

### 6.1 Procedures to be followed in cases of corruption and bribery

If any Bucher Group employee encounters any instance of bribery or corruption or an equivalent activity, they should not take any precipitate action, but seek to delay the matter in relation to the other party. Managers and employees should report any such instances as soon as possible either to their line manager, the managing director of the Group company, the Group Management member responsible or a compliance officer.

### 6.2 Suspecting or witnessing bribery

Any Bucher Group employee who suspects or witnesses an instance of bribery or breach of this Directive must report the matter as soon as possible either to their line manager, the managing director of the Group company, the responsible Group Management member or a compliance officer.

Employees will not suffer any detrimental treatment by reporting a breach of this Directive. Line managers or colleagues may not discriminate or take retaliatory measures against employees who have discharged their obligation to report any such instances in good faith.

### 6.3 Concerns and queries

If any Bucher Group employees have any questions regarding this Directive, or require assistance in interpreting or implementing this Directive in specific situations, they should contact the line manager, the managing director of the Group company, the Group Management member responsible or a compliance officer immediately.

## 7 Sanctions

### 7.1 Introduction

Corruption and bribery are criminal offences under the laws of the majority of countries in which the Bucher Group operates, irrespective of specific practices that may be considered customary in certain countries. Corrupt practices often involve other offences such as embezzlement, breach of fiduciary duty, fraud, money laundering and violations of foreign exchange or tax laws.

### 7.2 Legal sanctions

The penalties that may be imposed on the Bucher Group, Group companies, or employees engaging in bribery and corruption vary from country to country. The penalties for subsidiaries or employees engaging in bribery and corruption are frequently severe, and include:

- unlimited fines,
- lengthy terms of imprisonment,
- personal damages claims,
- termination of employment,
- suspension from practising a certain profession,
- suspension from exercising certain functions or holding office,
- travel restrictions.

### 7.3 Sanctions imposed by the Bucher Group company

Appropriate action, up to and including dismissal, will be taken against any employee of a Bucher Group company who breaches this Directive. Action may also be taken by the Bucher Group company against intermediaries who commit an offence. Such action may involve the termination of business relations, and other measures up to and including bringing criminal charges.

If a Group company or the Bucher Group suffers loss or damage as a result of breaches of this Directive, an action for damages may be brought against the company or individuals involved.

## 8 Liability

### 8.1 Liability of the company

Not only misconduct on the part of individual employees or intermediaries, but also non-fulfilment of the management's supervisory duty may give rise to liability on the part of the Bucher Group or its subsidiaries.

### 8.2 Liability of individuals

Employees who breach this Directive will generally be liable in respect of their own actions. Employees who are knowingly involved in an instance of corruption are deemed to be party to the corruption, and may render themselves liable to prosecution as an "accomplice" or "indirect perpetrator". For criminal sanctions to be imposed in some countries, it is sufficient that managers, supervisory bodies or compliance officers were merely aware of corrupt practices, or could have been aware of such practices, and failed to take action.

## 9 Procedures for implementing this Directive

### 9.1 Procedures and implementation

Managers are responsible for implementing this Directive within their areas of responsibility. This Directive will be translated into the relevant local languages to ensure that the information is readily understood. Training courses will be held with the assistance of compliance officers to support managers and employees to understand and comply with this Directive. Training courses may be provided for other employees as requested.

### 9.2 Monitoring

Employee conduct and business practices with regard to bribery and corruption will be monitored within the Bucher Group. For this purpose, the Bucher Group will perform monitoring and review.

Addressees of this Directive will be required to certify compliance with this Directive within their areas of responsibility on an annual basis and confirm that they will ensure such compliance in future.

## 10 Support and assistance

### 10.1 List of compliance officers within the Group

A current list of compliance officers within the Bucher Group may be obtained from [codeofconduct@bucherindustries.com](mailto:codeofconduct@bucherindustries.com).

### 10.2 Assistance with concerns and queries

Legal requirements in certain jurisdictions are subject to constant change, with rules becoming increasingly stringent. As a result, recipients must obtain the necessary information on local legislative provisions before transacting business. Employees may refer any questions as to whether certain conduct is permissible or lawful to their line managers, the managing director of the Group company, the Group Management member responsible or a compliance officer.

## 11 Commencement

This Directive takes effect on September 2013 and is available in other languages.

## 12 Appendix

Appendix 1: Anti-corruption clause

### **Bucher Industries AG**



Rolf Broglie  
Chairman of the Board of Directors



Philip Mosimann  
CEO