



AFIXGROUP
COMPLIANCE POLICY

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ANTI CORRUPTION
INVITATIONS & GIFTS

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1. INTRODUCTION

These guidance notes contain information on dealing with invitations, gifts and private discounts and serve to illustrate further the group policy on corruption prevention.

Benefits in the form of invitations and gifts are widespread in relationships with suppliers, customers and other business partners. If these benefits maintain an appropriate level, they are considered as permissible means of networking. Benefits that exceed the limits of appropriateness and are misused as a means to influence business decisions may be prosecuted as corruption and are in conflict with our group policy on corruption prevention.

The legal determination of the admissibility of a benefit depends on the individual circumstances and may in some cases be difficult. The aim of these guidance notes is to inform the employees of the Afix Group on the key principles on dealing with invitations, gifts and private discounts on the basis of the group policy on corruption prevention. The guidance notes are based on OECD Convention on combating bribery of foreign public officials in international business transactions. Although the national or regional anti-corruption laws applicable in the respective country may vary somewhat, the principles laid out in the group policy as well as these guidance notes generally apply worldwide. Nevertheless, it cannot be ruled out that in some cases **local laws may contain stricter regulations**. In such cases, local laws take precedence. Moreover, these guidance notes are intended to serve as a guide in the decision-making process without eliminating the need for individual scrutiny in each case. Standard values for the admissibility of invitations and gifts are contained in the Annex to these guidance notes.

2. DEALING WITH INVITATIONS AND GIFTS

2.1. General principles

Benefits in the form of invitations and gifts may only be granted or accepted if occasion and scope are reasonable, that, is of low value and consistent with local **customary business practice**.

In view of the large number of conceivable constellations, **no rigid value limit** can be set for assessing the appropriateness of invitations and gifts. However, Afix Group considers the **standard values** as shown in the Annex to these guidance notes to be reasonable. These standard values may therefore serve as benchmark.

Apart from its value the following criteria play an important role in assessing the appropriateness of a benefit:

» Regional and cultural customs

Regional and cultural customs can and must be observed in business life and thus have an effect on appropriateness. However, this does not mean that the limits of appropriateness can be softened and shifted arbitrarily.

» Special or unique occasions

In the case of special or unique occasions (for example company anniversaries, milestone birthdays), a more generous approach can be taken than for regular events or invitations and gifts that are not "special".

» **Business context**

Invitations and gifts in the period before a contract award/before signing of a deal which are not directly connected with the work activity are critical and may create the appearance of undue influence. In case of doubt, such invitations and gifts should be refrained from or require prior submission to the Afix Group CEO-CFO for legal assessment.

Example 1: The acceptance of an appropriate invitation to a meal during ongoing contract negotiations is usually to be seen as uncritical, whereas an invitation to a cultural event during this phase must be seen more critically and requires special justification.

Example 2: Prior to a contract award decision any gifts other than low-value promotional gifts bearing the company logo must be viewed critically.

» **"Inflation"**

"Inflation" of benefits must be avoided. A situation must not be created by one's own targeted behavior in which a correspondingly generous counter-invitation or particularly expensive counter-gift is accepted on the grounds that rejection would go against the requirement of courtesy.

» **Occasion-related private cost coverage**

The supervisor must decide, based on the particular situation, what costs should be borne by the employer or by the invitee/recipient privately and whether these should be split.

2. Checklist

Even if a benefit is within the range of the standard values, the following checklist should be used to assess the appropriateness of the benefit. The checklist may also be used in assessing the appropriateness of (planned) benefits from Afix Group employees to third parties, by asking the questions from the point of view of the recipient.

» Could the benefit have **effects on fair competition** between Afix Group, the business partner and other competitors by influencing my business decisions?

» Could the benefit create a **personal dependency**?

» Do I have the feeling that my business partner is **trying to groom me**?

» Does the benefit create an **appearance of wrongdoing** with regard to these questions? I.e., could a third party looking at the situation neutrally gain the impression that decisions at Afix Group are not made solely on the basis of objective criteria?

» Would I **"lose sleep"** over disclosing the particular situation to my supervisor, colleagues or an unbiased third person?

If you cannot with certainty answer any one of these questions with "No", the conduct should be refrained from or the case should be submitted for legal assessment to the Afix Group CEO-CFO before any action is taken.

3. Types of cases

The legal determination of the admissibility of a benefit depends on the individual circumstances and may in some cases be difficult. **The following gradation serves as a guide in the decision-making process:**

a) Benefits customarily permitted or permitted with the prior approval of the superior

If the criteria pointed out in section 1 above for determining the appropriateness of invitations and gifts are observed and all questions in the checklist in section 2 are with certainty answered with „no“, the benefit is generally permitted **without prior approval of the superior**.

The **prior approval** of the superior is especially necessary:

- » if the value of the benefit evidently lies above the standard values contained in the Annex.
- » if benefits are granted/received regularly and the total value of all benefits granted/received throughout a financial year evidently lies above the standard values contained in the Annex.
- » prior to accepting an invitation to sporting, cultural or similar events as defined in section 6 of the policy on corruption prevention.

The benefit must be documented stating the reasoning in the decision making process.

In view of difficult legal questions which may arise in individual cases the Afix Group CEO-CFO should be consulted in cases of doubt.

b) Improper benefits

Benefits in form of invitations and gifts are always inappropriate and therefore unacceptable if:

- » the gift is a cash gift, a cash equivalent or consists of any other funds redeemable in cash. Only in rare de minimis cases or due to regional particularities (e. g. coffee kitty, tips, so called red packages in the Asian jurisdictions) cash benefits may be appropriate if the amount involved is extremely small.
- » if the benefit itself or its acceptance is illegal.
- » if the benefit would embody an activity being regarded as immoral or as an expression of disrespect for other persons, religions or cultures (e.g. "adult entertainment") or if the acceptance of the benefit could provoke the risk of extortion.

Employees of Afix Group NV may not grant or accept any such invitations or gifts.

c) Critical cases

The following types of benefits are not per se inappropriate and may be permitted provided certain conditions are met. This requires an assessment of each individual case. In cases of doubt or if the conduct is likely to create an appearance of wrongdoing the Afix Group CEO-CFO should be consulted.

» Invitations to public officials

Under the policy, and also under legal and public authority rules, invitations to public officials are subject to stricter requirements than invitations to business partners. Unless the supervisor of the guest has expressly approved the invitation, invitations to this group of persons constitute a risk of criminal liability for guests and hosts. **For this reason, invitations exceeding the standard values stated for public officials in the Annex may not be issued without prior legal assessment sought from the Afix Group CEO-CFO.** A prior legal assessment is also necessary if there is reason to believe that in individual states or in dealing with individual public authorities even tighter requirements apply.

» Invitations to accompanying persons

If invitations to an event, a social program, etc. are extended to spouses, relatives or other accompanying persons, it should be enforced that the invitee bears the costs of lodging and transportation as well as the cost of the social program for the accompanying person.

» Delegation trips, plant visits etc.

Delegation trips and plant visits generally serve important, legitimate purposes. By no means may they be misused to corrupt the participants. The following indications may create an appearance of wrongdoing:

- › venue selection based primarily on tourist, not business aspects,
- › a significant tourist portion of the trip,
- › participation of relatives of the guests,
- › the timescale and financial scale of the social program exceeds the direct business portion (plant visit, presentations, business talks etc.),
- › if the reimbursement of travel and incidental expenses (except local transportation) is being offered.

The provisions of section 8 of the policy on corruption prevention as well as complementary policies of individual Group companies must be observed.

» Invitations to Afix Group NV events by Afix Group NV Group companies

Invitations extended by Afix Group companies to business partners to attend Afix Group events in which the business portion is not the main concern (e.g. sporting and cultural events or joint travel) or to attend the social program of a business event mainly serve the purpose of maintaining and cultivating contacts outside of business. Afix Group considers this form of business relations to be admissible if it is held within reasonable limits. Particularly tight limits apply to invitations which are unconnected time-wise, place-wise or content-wise with business matters and are not linked with a special occasion (Christmas party etc.). The following examples may especially create an appearance of wrongdoing:

- › accompanying persons are also invited, unless attendance as an individual person would be uncustomary (particularly at balls, operas or theatre events),
- › only persons are invited who are commissioned and paid by the customer, e.g. as consultants, consulting engineers, architects,

- › there is not at least one Afix Group host at the event who is present throughout the whole duration of the event,
- › there is no specific program or a specific program is not adhered to,
- › an offer is made to pay travel (except local transportation) or incidental expenses,
- › there are indications that the invitation was issued in return for a business advantage (e.g. order placement, cooperation in processing etc.),
- › the guest is invited to lavish events several times a year or
- › the value of the invitation, measured against the business and social standing of the host and guest, is inappropriately high.

» Invitations to Afix Group employees to attend events of third parties

If an Afix Group employee is invited as a guest to events organized by business partners, the same principles apply vice versa. In addition, the approval requirement under section 6 of policy must be observed.

4. Possible behavior in critical situations

Whenever a benefit is rejected or turned down, there is a risk that the business partner offering the benefit will be offended, impairing the business relationship. A number of suggestions are given in the following as to how an employee could behave if he or she does not wish to accept a benefit because there are doubts about compatibility with the policy.

- » Express your gratitude for the person's good intentions but reject the gift making reference to the Compliance program in existence at Afix Group NV.
- » Insist on paying costs of accommodation and transport as well as costs of entertainment programs for spouses etc. yourself.
- » Do not take part in an "entertainment program" if it goes against valid or your personal moral or ethical principles.
- » If you are unable to reject a gift because of the particular circumstances, make it available to the company. Perhaps it can be auctioned for a good cause at the next Christmas party.

5. Tax treatment in Belgium

The acceptance of invitations or gifts may result in taxable wages. This is particularly the case when the social character of the benefit is to the fore, e.g. in the case of an invitation to an opera gala. The same applies to the acceptance of gifts where these are not just courtesies of minor value. Wages include benefits from third parties that are related to the employment.

To ensure such benefits are taxed, the employee is obligated to inform his or her employer (Human Resources department) about the benefit and the amount thereof. The benefit will then be recorded as wages in payroll accounting and subjected to taxation.

As well as the value of the admission ticket, which must be taxed as a non-cash benefit, other costs can also be incurred such as transport costs and parking fees. This is the case for example if it is a question of simply cultivating business relationships, in contrast to visits in connection with specific business meetings.

Tax is not deducted by the employer if the tax has already been deducted by the host and the host has informed the employee of this. Proof of this must be presented to the employer.

Attendance at business-related hospitality of the employer or its business partner is not recorded as a non-cash benefit or wage payment by third parties.

Outside Belgium, other rules apply. Questions of doubt regarding tax treatment must be clarified with the Afix Group CFO.

3. PRIVATE USE OF CORPORATE DISCOUNTS

3.1. Background

In dealing with business partners the question arises for employees as to whether and under what conditions it is admissible to use corporate discounts and other concessions (e.g. private use of Afix Group NV terms for hotel accommodation, discounts from suppliers or service providers and special customer loyalty discount programs, e.g. receipt of bonus air miles) for private gain. In interpretation of the Group policy on corruption prevention, the subject is therefore illustrated below with reference to a number of types of cases.

In the following, the term "(corporate) discount" is taken to mean the direct or indirect granting of a price reduction for private gain of the employee or of a related party (family members, friends, acquaintances, organizations etc.) in the supply of goods or the provision of services.

3.2. Types of cases

a) Inadmissible discount for individual employees

If the discount is granted in connection with a specific business deal or in initiation of a deal to only one individual or a small group of employees who are directly connected with this transaction, violation of Sections 1, 2 and 4 of the policy is indicated. Soliciting, being promised or accepting such a benefit is inadmissible in these cases.

This also applies if the employee is the contact responsible for the business partner and solicits or accepts the discount not for him or herself but for another employee of the Group or a third party (e.g. Employee in the purchasing department requests special conditions for the spouse of the General Manager).

b) Discount for "all" employees

If the discount is granted equally (same amount and scope) to all employees of the group or parts of the group (e.g. all employees of the group in one country or an individual group company), the following applies:

Principles for the conclusion of a discount agreement also for private use:

» In contract negotiations strict care must be taken to ensure that the decision on the coming into being or continuation of a deal, i.e. a concrete (framework) agreement, order, etc. or the determination of the proper fulfillment of the contract is not influenced by any discount agreement or the offer of such an agreement – and thus by non-related considerations.

» Active solicitation of such a discount agreement from the business partner is admissible only in exceptional circumstances if a discount agreement is also in the company's interest, for example if the company also profits from private use of the discount by the employees.

» For the rest, a discount agreement should only be concluded if the initiative for it came from the business partner and/or the discount agreement is part of a general customer loyalty program of the business partner (e.g. Brussels Airlines & More).

Principles for the use of discounts for private purposes:

» Where the risk of a conflict of interest in use of the discount by the respective employee is excluded, in particular if the Afix Group NV employee involved has no work connection with the business partner of the Group, then the employee may use the discount (for example for buying or hiring a car, hotel accommodation, buying office articles or other goods and services), taking into account the relevant tax regulations (see below).

» This also applies to bonus miles and similar benefits in the form of customer loyalty programs, although it should be pointed out that under the travel policy bonus miles should "preferably" be used for work-related travel.

» On the other hand, the discount should not be used if the employee has direct work relations with a business partner of the Group and is unable to rule out a conflict of interest established by the private benefit.

3.3. Tax effects in Belgium

The use of discounts and other price advantages based on contracts or framework agreements concluded by the employer constitutes a non-cash benefit which is liable to taxation as a wage payment by third parties and thus as working wage. Employees who use such benefits are legally obligated to inform their employers about the receipt and the amount of such benefits.

If the involvement of the employer in procuring the price advantage is limited to publicizing offers of third parties (e.g. on the company notice board) or certifying that an employee works for the Group, then this does not constitute pay.

ANNEX - STANDARD VALUE FOR THE ADMISSIBILITY OF INVITATIONS AND GIFTS

Subject to tighter requirements in individual Group companies, Afix Group NV has no misgivings about the acceptance or granting of the following invitations or gifts (in each case per person and benefit). The values indicated below are standard values, i.e. in individual cases benefits outside the range of the standard values may be appropriate. In cases of doubt a Compliance Officer of Afix Group NV should be consulted. This also applies if there is reason to assume that stricter value limits apply in certain countries or in dealing with certain public officials or customers.

1. INVITATIONS

The term invitations is to be understood in the broadest sense and can relate to a large number of situations, ranging from normal business meals to attendance of events for business partners, in which the business aspect is not to the fore ("customer events"). The invitation has a material value for the guest which may lie for example in the share of costs of food and drinks or the entertainment program. Afix Group NV considers invitations to be admissible up to the following standard values:

- » Invitations to business partners: approx. 100 €
- » Invitations from business partners: approx. 100 €
- » Invitations to public officials: 35 €⁽¹⁾

2. GIFTS

Afix Group NV considers gifts to be admissible up to the following standard values:

- » Gifts to business partners: approx. €50
- » Gifts from business partners: approx. €50
- » Gifts to public officials: Low-value, typical promotional gifts, e.g. diaries, pens (not precious metal)

(1) Particularly in Belgium, many public authorities have set much lower value limits for their staff, which are to be observed in dealing with public officials.

If you have any questions on these guidance notes or any other Compliance matter, please contact:

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