



AFIXGROUP
COMPLIANCE POLICY

AFIX
GROUP.COM



ANTI CORRUPTION

SALES SUPPORT

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PREAMBLE

The Afix Group uses intermediaries, consultants, sales representatives, agents, so-called sponsors (1) and other persons working for Group subsidiaries (hereinafter referred to as "**Consultants/ Intermediaries**") for sales support purposes. In many cases these persons receive compensation on a performance-related basis in the form of commissions. In many countries their work is important and in some cases indispensable to the market success of the Group subsidiaries.

However, depending on the business area, such business relationships are sometimes seen as a means of **concealing illegal payments (bribes)** and thus presumably of reducing the risk of corruption cases being discovered. Particular care must be taken in commission agreements to ensure that commissions are paid for legal activities only and are not used for illicit payments.

Even if the services performed by the Consultant/Intermediary are completely legal, the incorrect use of a Consultant/Intermediary in sales can result in third parties (e.g. auditors, tax inspectors or investigating authorities) forming an **initial suspicion** of corruption and initiating criminal investigations.

The aim of this Policy is to prevent **infringements of the anti-corruption rules** and the anti-corruption Compliance Program in connection with Consultants/Intermediaries and/or potential evidence thereof ("**appearance of wrongdoing**") and thereby minimize as far as possible the risk of criminal investigations being instigated against Afix Group companies and their employees in connection with corruption or other business offences.

Against this background the Executive Board of Afix Group NV has developed the following standards for the use of Consultants/Intermediaries in the Group:

1. SCOPE

This Policy is **binding** for all business relationships with Consultants/Intermediaries engaged for the purpose of **sales support** (Consultant/Intermediary used on a concrete project or in connection with a specific tender) or in **ongoing business** (e.g. as sales representative) for or by arrangement of subsidiaries of the Afix Group.

The Policy applies irrespective of the title of the person engaged or the legal form of the contractual relationship. It is **immaterial** whether the Consultant/Intermediary was engaged directly by a Group subsidiary or via a third party. It is also immaterial whether the compensation is to be paid on a performance-related basis or not. What is **decisive** is the actual function of the Consultant/Intermediary as intended by the contractual parties in the sense of sales support in the broadest sense.

In the case of **existing business relationships** the Policy shall apply for the next contract renewal or on conclusion of a new order, etc. at the latest. In the case of **ongoing contracts** the standards shall be applied as far as possible, in particular in the execution of the contract.

(1) Sponsors" (also known as "National Agents") is the term used for locals mainly in Arab countries who traditionally act as a kind of guarantor for foreign persons and companies and receive compensation in return. Their work is extremely wide-ranging. The competent legal department must be consulted in each individual case when dealing with sponsors.

2. IMPLEMENTATION AND APPROVAL REQUIREMENTS

The following standards, including the definition of concrete value limits, shall be implemented by the General Manager of each group company.

The General Manager shall establish rules in their company regarding which contracts with Consultants/Intermediaries are subject to the approval of the General Manager of the group company. Taking into consideration the contract value, particular attention shall be given to the absolute and relative commission amount. The use of politicians, members of congress/parliament and/or members of state governments as well as public servants, officials and/or other persons holding public positions as Consultants/Intermediaries must be reported to the Afix Group CEO-CFO in good time before conclusion of contracts and is subject in all cases to the prior approval of the General Manager of the group companies.

3. CONCLUSION AND EXECUTION OF AGREEMENTS

Agreements with Consultants/Intermediaries **must** comply with the following standards. In the case of planned deviations from the standards and in all special or atypical cases, the competent legal department, the Afix Group CEO-CFO shall be consulted immediately.

This also applies if the standards are observed for each individual item but an **overall assessment** gives rise to **doubts** as to whether the transaction may create a corruption risk or could be seen as evidence thereof (for example: agency services for a major project with a high contract value, commission at the top limit of appropriateness, payment in a third country in which the Consultant/Intermediary has a bank account).

1. Preliminary review of the personal details of the Consultant/Intermediary:

- a. At the start of negotiations with the Consultant/Intermediary, his/her **identity** must be **checked** via Credit reform or a comparable credit information company and through research on the internet unless the person's identity has already been adequately checked in the framework of an existing business relationship.
- b. The conclusion of agreements with **letterbox companies** is impermissible. The following signs may indicate the existence of a letterbox company
 - » No organizational structure at the address location » Company trades under a P.O. Box address
 - » No business operations
 - » No staff
 - » No organizational structure
 - » No tax number
 - » Registered in a country listed in Annex 1
- c. To check these items, corresponding **declarations** and/or **documents** (details of the tax situation, disclosure of the tax number, documents on the legal organization of the Consultant/Intermediary specimen letterheads or business cards) must be **obtained** from the Consultant/Intermediary.

d. If, for example on the basis of industry knowledge or internet research, etc., there is **evidence** that the Consultant/Intermediary has already been or is involved in (alleged) **corruption cases** or other business offenses, the need for cooperation must be examined particularly carefully, taking these transactions into consideration, and documented. If necessary, further information must be obtained about the Consultant/Intermediary via a specialized service provider (business detective, etc.). The same applies if **no** meaningful **information** is available on the Consultant/Intermediary. The possibility of engaging a different Consultant/Intermediary must be re-examined.

2. Position of Consultant/Intermediary:

The **use** of a Consultant/Intermediary who **belongs to the milieu** of the **customer/client** or who is used at the **instigation** of the customer/client should **generally** be subject to **extremely critical** assessment, because this can easily lead to the suspicion that payments made to the Consultant/Intermediary are **concealed benefits** to the proprietor, a director or employee of the customer/client or in the case of public-sector orders to a public official. Measures of this kind therefore always require separate justification and a written **declaration of agreement** from the customer/client.

3. Offer Stage:

- a. Before a contract is concluded an examination must be carried out and documented into which persons in the relevant market could be considered as potential Consultants/Intermediaries given the type and scope of the intended transactions. The **selection process** and the **decision** must be **documented** and the reasons specified.
- b. Before a binding agreement is concluded, the competent department, e.g. sales, must establish that the use of the Consultant/Intermediary, the intended contractual form and the planned/identifiable concrete handling of the transaction are in each case **permissible** under the applicable Belgian and local laws and the **Group Policies**, in particular the rules on **combating corruption**. In case of doubt, the competent legal department must be consulted.

4. Timing of conclusion of contract:

- a. Legally binding assurances regarding the cooperation with the Consultant/Intermediary and the rights and obligations of the parties, in particular the amount of compensation, shall be agreed in a **written contract** with the content specified under section 5.
- b. The written contract shall be concluded **before** the Consultant/Intermediary **begins work** for the Group subsidiary.
- c. If a binding contract cannot be concluded with the Consultant/Intermediary at the start of the project for substantive reasons (e.g. because details of the project or the project scope have not yet been finalized), a provisional written agreement (**letter of intent**) shall be concluded with the Consultant/Intermediary before he/she begins work. Said letter of intent shall be worded as precisely as possible and shall be based on the contractual content set out in section 5. It shall be replaced as soon as possible by a binding contract.

5. Form and content of agreement:

- a. Only written agreements signed by the Group subsidiary concerned in accordance with the dual control principle and the applicable **signature authorizations** are permissible.
- b. The agreement shall contain a **detailed description** of the **services** to be performed by the Consultant/Intermediary, such as e.g. a description of the local content, arrangement of contacts specifying the contacts to be arranged, market and competition analyses, office organization, travel arrangements, further services. The description of services shall be as concrete as possible.
- c. **Verbal agreements** are **impermissible**.
- d. The commission recipient shall be contractually obligated to **document** the services he/she performs for the contractual partner and to present corresponding performance records.
- e. The following contract clauses shall be agreed with the Consultant/Intermediary as standard:

Note: Clauses marked with » in the following are to be regarded as mandatory components. Clauses marked with are urgently recommended for inclusion in the contract in the light of risk aspects. If the contractual partner refuses to accept clauses, a comparable arrangement must be targeted.

» Prohibition on assigning claims of Consultant/Intermediary, in particular the compensation claim (**Annex 2: "Non-Assignment Clause"**);

» Clause prohibiting corruption (**Annex 2: "Anti-Corruption Clause"**);

› Authorization of a third party named by the Group subsidiary to audit the accounts of the Consultant/ Intermediary in the event that investigation proceedings are instituted in the project/transaction concerned (**Annex 2: "Audit Clause"**);

› Obligation of Consultant/Intermediary to provide tax records, i.e. obligation of Consultant/ Intermediary to obtain written declaration from the competent foreign tax authority confirming that the compensation has been accounted for by the Consultant/Intermediary and taxed as operating income in the event that investigation proceedings are instituted in the project/transaction concerned (**Annex 2: "Tax Clause"**).

f. The compensation paid to the Consultant/Intermediary must **not be inappropriately high**. In agreeing the compensation, the following **criteria must be observed**:

Criteria for the compensation structure

- » **Fixed compensation** for services not directly in connection with the award of an order (e.g. market and competition analyses, office, travel and staff organization, etc.) and to this extent not compensated with the commission; depending on the individual case the fixed compensation (for part of the work of the Consultant/Intermediary) may also be agreed in the form of compensation on the basis of an hourly or daily rate;
- » performance-related component only for services in connection with the award of an order (e.g. order winning and arrangement activities, etc.) (2);
- » agreement of an absolute top limit for the commission claim, in particular in respect of high-value orders;
- » depending on regional traditions, the compensation of **sponsors in Arab countries** is often subject to special rules which must be agreed in each individual case with the competent legal department.

Criteria for the appropriateness of compensation

- » Compensation customary in the particular market;
- » **appropriate relationship** between the **effort** required of the Consultant/Intermediary and the **compensation amount**. Any additional services performed by the Consultant/Intermediary, in particular with regard to executing the order (project management, claims and warranty management, building site coordination, etc.) may be taken into consideration;
- » appropriate relationship between the **commission amount** and the **net order value**. It must be borne in mind here that as the order value increases the appropriate commission amount normally decreases in percentage terms.

g. Payment terms and conditions

- » The compensation shall be paid by bank **transfer**.
- » The **bank details** shall be recorded in the written agreement with the Consultant/Intermediary, but must be disclosed in the Consultant/Intermediary's written invoice at the latest.
- » **Cash payments are impermissible**, unless in **justified** exceptional cases with the prior consent of the General Manager of the group company the provision of a small cash amount is indispensable. Please note that increased documentation requirements apply to cash payments under tax law. This means that the recipient of a cash amount must issue a receipt. If the recipient of the cash amount is not the Consultant/Intermediary, the prior written authorization of the Consultant/Intermediary is necessary as well as proof of identity of the cash recipient.

(2) Note: In exclusive agreements with sales representatives or sales agreements with territorial protection, commission claims may arise according to the applicable law without the representative having performed any concrete services

» Payments into **anonymous accounts** which do not allow identification of the holder are impermissible.

» Payments into accounts in countries in which the Consultant/Intermediary is **not resident** should be avoided. Such payments are permissible only in justified exceptional cases if the Consultant/Intermediary presents **a written declaration from the bank** at which the account is held confirming beyond doubt **that the Consultant/Intermediary is the holder of and has the power to draw** from the specified account.

» If a payment is to be made to an account in a country **listed in Annex 1** in which the Consultant/Intermediary is not resident, in addition to the conditions stipulated in the preceding sentence, **the prior approval of the General Manager of the group company** must be obtained.

6. Checks, approval and records:

- a. The checks required under section III., 1 to 3 and the content-related requirements under section III. 5 shall be documented and signed by the competent managing director (**dual-control principle**).
- b. The **approval** required under section II. shall be obtained before a binding agreement is signed, taking into consideration the value limits.
- c. The **documentation** shall always be placed in the project file or in the ongoing file for the Consultant/ Intermediary.
- d. Immediately after signing the agreement with the Consultant/Intermediary, the competent department in the Business Area/Operating Unit (e.g. accounting/controllers) shall be notified. Each notification must contain all details of the internal commission/order account and the full address of the Consultant/Intermediary and his/her bank details.

7. Execution of the agreement with the Consultant/Intermediary:

- a. The services performed by the Consultant/Intermediary shall be carefully **documented** by the Consultant/ Intermediary.
- b. The competent department (sales) shall check whether the **services** performed **comply** with the contractually agreed requirements.
- c. On receipt of the Consultant/Intermediary's invoice, the competent department (sales) shall check whether the contractually agreed service has been performed by the Consultant/Intermediary, the account specified tallies with the account agreed and all **conditions for the compensation claim** (advance payment received, L/C received, order paid in full, etc.) have been met.
- d. The invoice shall be forwarded to the accounting department for booking immediately.

ANNEX 1

In some countries, experience has shown that it is very difficult to trace accounts, company shares or other assets to the beneficial owners due to actual circumstances in the country and/or particularities of the country's legal system. There is currently no internationally legally binding list of such countries. Until further notice, Afix Group will be guided by the lists of offshore financial centers published by the Financial Stability Forum (FSF) in 2000 and by the Financial Action Task Force (FATF) in 2001, even though these lists ceased to be binding in 2005. These lists contain the following countries:

„Offshore countries“

1 Egypt	19 Guatemala	37 Netherlands Antilles
2 Andorra	20 Guernsey	38 Nigeria
3 Anguilla	21 Hong Kong	39 Niue
4 Antigua and Barbuda	22 Indonesia	40 Panama
5 Aruba	23 Isle of Man	41 Philippines
6 Bahamas	24 Israel	42 Russia
7 Bahrain	25 Jersey	43 Samoa
8 Barbados	26 Labuan (Malaysia)	44 Switzerland
9 Belize	27 Lebanon	45 Seychelles
10 Bermuda	28 Liechtenstein	46 Singapore
11 British Virgin Islands	29 Luxembourg	47 St. Kitts and Nevis
12 Cayman Islands	30 Macau	48 St. Lucia
13 Cook Islands	31 Malta	49 St. Vincent and the Grenadines
14 Costa Rica	32 Marshall Islands	50 Turks and Caicos Islands
15 Dominica	33 Mauritius	51 Ukraine
16 Dublin	34 Monaco	52 Hungary
17 Gibraltar	35 Myanmar	53 Vanuatu
18 Grenada	36 Nauru	54 Cyprus

ANNEX 2

The following clauses meet the requirements of section III.5) e) of this Policy.

Highlighted terms must be adjusted in line with the specific contract:

„Non-Assignment-Clause“

„Without the explicit prior written consent of **Afix Group** the **Consultant** shall not assign any of its rights under this Agreement, including but not limited to its claim for payment of the **compensation/ commission**, to any third party.“

“Anti-Corruption-Clause“

“The **Consultant** shall note and shall procure that in connection to this agreement neither the **Consultant** itself, nor its employees or agents shall offer, give or agree to give to any person or accept or agree to accept from any person (whether for itself or on behalf of another person and either directly or indirectly) any gift or payment, consideration or benefit of any kind, which constitutes an illegal or corrupt practice under the laws involved (“Anti-Corruption Obligation”). The **Consultant** shall disclose in writing to **Afix Group** the details of any breach of the Anti-Corruption Obligation. This shall be an ongoing obligation.

The **Consultant** shall

- a. at all times maintain strict compliance with the Anti-Corruption Obligation;
- b. monitor its employees and agents to ensure their compliance with the Anti-Corruption Obligation;
- c. make clear, in all its dealings on behalf of **Afix Group**, that it is acting in accordance with the Anti-Corruption Obligation.“

“Audit-Clause“

“If the business/transaction/project should at any time be subject to any official investigation or pre-investigation (including, but not limited to, tax, criminal or administrative investigations), the **Consultant** shall provide or shall upon request by **Afix Group** provide to a person occupationally sworn to secrecy (legal / tax advisor, auditor) to be designated by **Afix Group** all relevant information and shall in particular grant access to all documents and records which **Afix Group** may require in relation to such investigation.

The person to be designated by **Afix Group** shall be entitled to disclose any and all documents and information to **Afix Group** which in the sole discretion of **Afix Group** might be relevant in the official investigation or preinvestigation.“

“Tax-Clause“

“If the **business/transaction/project** should at any time be subject to any official investigation or pre-investigation (including, but not limited to, tax, criminal or administrative investigations), the **Consultant** shall upon request by **Afix Group** provide a written declaration to **Afix Group** stating whether, to which extent, when, to which tax authority and under which file number the **Consultant** has accounted for the compensation received for a project or projects/business/transaction. Upon request by **Afix Group** the **Consultant** shall further provide a written declaration by the competent tax authority confirming that the compensation received has been properly accounted for in the **Consultant**'s tax declaration.“

EXPERT IN SMART SCAFFOLDING SOLUTIONS



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