

# AMG POLICY ON ANTI-BRIBERY, ANTI-CORRUPTION AND CONFLICTS OF INTEREST

## BACKGROUND

Corruption occurs in the misuse of power or position for private gain. Corruption impedes economic growth, distorts competition, and undermines the integrity of the people involved and the organizations that they represent. Forms of corruption include, but are not limited to bribery, fraud, money laundering, and conflicts of interest such as insider dealing or other occasions where personal relationships could influence, or be perceived to influence, your decisions. It is important to recognize that AMG's (and your) reputation may be adversely impacted even if corruption is merely perceived, or results in an unsubstantiated claim of corruption.

## POLICY

AMG Advanced Metallurgical Group NV and its subsidiaries (here collectively referred to as "AMG" or the "AMG Group") does not tolerate bribery, facilitation payments, fraud, money laundering, and forms of corruption arising from a conflict of interest (e.g. insider dealing, offering of excessive or otherwise inappropriate gifts and hospitality).

The AMG Code of Business Conduct sets out the company's commitments on Anti-bribery and Anti-corruption. It states, "Bribery in any form is unacceptable." The Code's commitments are reflected in this policy - we don't want to do business with others (customers, suppliers, agents and other business associates) who do not accept our values or who may harm our reputation.

In many jurisdictions where AMG operates, corruption is not only illegal where it occurs, but it is also illegal to engage in corrupt practices in other countries. Regardless of potentially differing local manners and traditions, it is the policy of AMG to conduct all of its business transactions in accordance with the AMG Code of Business Conduct and this policy, as well as to comply with all applicable anti-bribery laws, including but not limited to the U.K's Bribery Act 2010, the U.S. Foreign Corrupt Practices Act, and all applicable laws where AMG transacts business.

Consistent with AMG's Corporate Financial Policies, including but not limited to the Controllershship and Financial Reporting, and Travel and Entertainment Sections, it is AMG's policy to accurately reflect all transactions on AMG's books and records.

Because AMG wants to conduct business with companies and organizations that share this value, this policy shall be flowed down to all business associates of AMG (e.g., joint

venture partners, agents, brokers, consultants, converters, distributors, and representatives, or other persons or firms who are likely to have contact with a foreign customer or supplier) hired or otherwise retained by AMG to provide services related to obtaining or retaining business or business opportunities.

In order to avoid inappropriate arrangements on remuneration, when structuring its agency and service contracts, AMG takes into account any recommendations received from industry associations, chambers of commerce and government organizations. The AMG employees responsible for hiring and retaining these third parties are to make good faith efforts to ensure that the parties comply with this policy.

## SCOPE

This policy applies worldwide to all employees, officers and directors of the AMG Group (hereinafter referred to as “AMG employees”).

## IMPLEMENTATION

This policy It is to be immediately implemented within the framework of the existing compliance programs of the AMG Group and must be monitored continuously.

### 1. Anti-Bribery

A bribe is anything of value (including cash, gifts, favours, promises) offered to influence someone in the performance of their commercial or public duty or to keep or receive a commercial advantage.

- 1.1 We don't offer or promise anything of value to national, local or foreign Public Officials (as defined in Clause 6 below), their families or friends. Public Officials and their families and friends are in a special category of consideration because of their power to significantly influence the awarding of government contracts, permits and licenses. This internal AMG requirement applies even where local custom would otherwise allow such payments to be made.
- 1.2 We don't pay money to anyone if we believe that it is possible that the payment will be used to make a bribe, nor will we condone the offering of bribes on our behalf.
- 1.3 We don't accept bribes to influence business, nor do we condone bribes being accepted on our behalf.

- 1.4 AMG will not knowingly deal with suspected criminals or criminal proceeds and will make efforts in good faith to conduct appropriate risk-based due diligence prior to entering into commercial relationships with individuals and other businesses. AMG employees should report any suspicious circumstances or transactions by following the AMG Speakup and Reporting Policy, and not interfere with or obstruct government investigations that relate to suspected criminal behavior (incl. money laundering, corrupt practices, fraud).

## 2. Facilitation Payments

- 2.1 A facilitation payment (or *grease payment*) is an unofficial payment made to secure (or expedite) routine actions to which the payer is already legally entitled, such as the issuing of a visa. At AMG we do not make such facilitation payments. Exceptions to this policy are limited to exceptional circumstances such as duress (e.g. where violence or imprisonment is threatened to the employee, family or associates).
- 2.2 AMG employees must report in writing to their applicable manager and AMG compliance officer all incidents where facilitation payments are requested but not paid, where a payment is made that might be considered to be a facilitation payment, and where payments are demanded under duress, whether paid or not.
- 2.3 AMG's books and records (including your expense reimbursements must be truthful and accurate at all times.

## 3. Gifts & Entertainment

Following concerns the requirements for Gifts, Entertainment and Invitations.

- 3.1 The AMG Code of Business Conduct says, "While it is recognized that certain corporate hospitality is given and received as part of building normal business relationships, this should be kept to appropriate levels and not be applied to influence business decisions." AMG acknowledges that benefits in the form of gifts, entertainment and invitations exist in all cultures in general business dealings. It is important however that they are always appropriate and do not create the appearance of impropriety.
- 3.2 Personal gifts or favours of any material commercial value may not be made or accepted by any employee. Gifts of cash or vouchers are prohibited. Gifts and entertainment to government officials may not be made without senior management approval. Exceptions to the receipt of

non-cash gifts or entertainment may be made by an AMG recipient's superior when refusal of the gift or favour would negatively impact AMG's legitimate business interests. Receipt of such gifts, takes place with the approval of the relevant Managing Director and notified to the relevant Compliance Officer.

- 3.3 You may exchange infrequent, modest, non-cash gifts with other third parties provided these do not consist of cash payments and provided there is no expectation of anything in return.
- 3.4 You must refuse offers of hospitality involving expense-paid travel or overnight accommodation, unless they are related to a business activity, such as a speaking engagement where travel and accommodation is provided by the organizers and the relevant business activity and engagement is approved by your manager.
- 3.5 Gifts and hospitality must not influence your decision-making, and you should be aware that they have the potential to cause others to perceive improper influence. For example, even a non-cash gift offered during the negotiation of a transaction, is more likely to be perceived as improper.
- 3.6 You must register all gifts (given, offered, and received) that exceed EURO 200,- (or equivalent in other currencies) with your local finance official (e.g. plant controller) with copy to your local Compliance Officer. Local subsidiaries or units of AMG may prescribe and implement lower registration threshold levels depending on the local practice, circumstances or culture.  
The receipt of minor non-cash gifts such as company pens and branded items and common courtesies such as drinks, sandwiches or modest refreshments in a meeting, or a modest (according to local practice and culture) business luncheon, will not require registration.

#### 4. Conflicts of Interest

- 4.1 A conflict of interest is a conflict between your personal interests and duties and your duty to your employer.
- 4.2 AMG expects that all employees make business decisions with integrity and based on objective criteria, without being influenced by private interests or relationships. Employees should avoid situations which

present, create, or appear to create a conflict of interest. In any potential conflicts of interests situation, employees must consider:

- i. Could my personal interests compete with those of the AMG Group?
- ii. Could my actions or this particular situation give rise to the impression that my personal interests compete with those of the AMG Group?

4.3 The following is a non-exhaustive list of conflicts of interests situations:

*4.3.1: Personal Workplace Relationships*

An employee hires a closely related person or friend or an employee establishes or maintains a relationship with a personal who directly reports to him or her. For the purpose of this policy, closely related persons include family members (spouse, parent, grandparent, parent-in-law or step-parent, sibling, sibling-in-law or step-sibling, child, grandchild, child-in-law or step-child, sibling of parents, cousin, niece or nephew) domestic partner, person living in the same household and treated as a family member (eg.fiancee) or person with whom the AMG employee has a romantic relationship.

*4.3.2: Secondary employment*

The fact that an employee is simultaneously employed (paid or unpaid) by a business partner or organization that is a supplier to or competes with the AMG Group may lead to the perception of opposing interests of this employee. Therefore such relationships are prohibited without the authorization of the responsible Managing Director.

*4.3.3: Relationships with business partners and/or competitors*

Some relationships with business partners may be regarded as relationships that may improperly influence business decisions. AMG employees should therefore in particular avoid:

- i. Exerting an influence on AMG decisions regarding entering into or pursuing the engagement of a business partner if this engagement may lead to the employee's gain or the gain of a closely related person or friend;
- ii. Directly or indirectly investing in business partners or competitors of the AMG Group if such investment may influence the management of that company;

- iii. Serving on the Supervisory Board or the Board of Directors of a business partner or competitor to the AMG Group; any appointment of an AMG employee to such Board position requires the prior approval of the AMG Management Board.
- iv. Entering into a contract with a (prospective) AMG business partner through which they directly or indirectly benefit. Such contracts are prohibited without the authorization of the responsible Managing Director.

#### 4.3.4: *Pending legal proceedings.*

A conflict of interest may be perceived in the case where an AMG employee has a personal affiliation to a third party involved in pending legal proceedings against the AMG Group.

- 4.4 If you believe that you have a conflict of interest, or that anyone at AMG or a third party may perceive you to have a conflict of interest with respect to the work that you conduct (or could conduct) at AMG, you should report this conflict in writing to your manager as soon as it is identified.
- 4.5 If the manager confirms a conflict of interest situation upon consultation with the relevant compliance officer, he/she will take the necessary actions, together with the employee to prevent the conflicts of interests situation. Due to actual or perceived conflicts of interests, in specific situations the employee may be required to withdraw from decision-making (eg.hiring or procurement).
- 4.6 If the manager does not confirm a conflicts of interests situation upon consultation with the relevant compliance officer, he/she will inform the person/employee who made the report accordingly in a timely manner.

## 5. Political Contributions

- 5.1 The AMG Code of Business Conduct says that “No company funds or resources are to be used to make political contributions or payments to political candidates or causes.” AMG does not make any political donations to political organizations, including trade unions.
- 5.2 Employees may make payments from their own money. However, this must be on a personal basis and not to influence government or a third party on behalf of AMG.

- 5.3 Employees making statements in support of political parties or unions must do so in their own name and not hold out to be representing the AMG Group.

## 6. Benefits to or from Public Officials

Benefits to public officials (i.e. any officer or employee of any department, branch, agency or instrument of any government, government or government-owned or controlled company or or legal entity, or of any public international organization, or any political party, hereafter “Public Official”) especially run the risk of being seen as inappropriate benefits. Stricter criminal legislation applies to Public Officials in most countries. In addition to this, many public authorities/entities have issued special rules for their employees with regard to accepting benefits to avoid any impression that a benefit may influence a Public Official in performing his / her duties neutrally and objectively. For this reason, the giving or receiving of any benefits (incl. gifts, hospitality, entertainment) to or from Public Officials by AMG employees is prohibited in all circumstances and all countries, regardless of the value of the benefit. Furthermore, employees must never offer, pay or accept any bribe or facilitation payment, or anything that could be viewed as such.

## 7. Protection of Company Assets and Resources

- 7.1 The AMG Code of Business Conduct sets out the responsibility of all employees to safeguard property or other assets owned or leased directly or indirectly by AMG. This includes not providing company assets to improperly influence a business relationship or to obtain an advantage or specific benefit in business.
- 7.2 Company assets may only be used for non-company purposes with the specific authorization of the managing director and notified to the relevant relevant Compliance Officer.

## 8. Charitable donations and sponsorships

- 8.1 AMG is committed to being a responsible corporate citizen and contributing to the communities where it does business. However, AMG must be certain that its charitable donations and sponsorships are not perceived as an attempt to improperly influence others for the benefit of AMG. Charitable donations and sponsorships may take varied forms including donation of money, labour, goods or in-kind benefits.

Regardless of the form of donation or sponsorship, all conditions of this policy apply.

- 8.2 No charitable donations or sponsorships should be made without the prior authorization of management and should be notified to the relevant Compliance Officer.
- 8.3 Timely monitoring, auditing and reporting on charitable donations and sponsorships must be conducted by the business to ensure that the monies, goods or in-kind benefits donated by AMG are directed to and achieve their stated purposes.

## **CORRUPTION INDICATORS & RED FLAGS**

The U.K.'s Serious Fraud Office, US Department of Justice, the French anti-corruption agency (AFA), the OECD<sup>1</sup>, United Nations<sup>2</sup> and Council of Europe<sup>3</sup> have identified a variety of indicators that could possibly imply increased corruption risks and should trigger special alert, such as:

### Corrupt Business Practices

- You are dealing in, or with a party from, a country or industry with a history of corruption problems.
- An individual you are dealing with insists on dealing with specific contractors themselves, or abuses the decision-making process or delegated powers.
- The party you are dealing with is a government official or related to a government official.
- Unusually smooth processing of the transaction, despite the party you are dealing with lacking the apparent expertise in the field, or despite the country's reputation for bureaucracy.
- The party you are working with desires to keep their representation secret.
- Abnormally high commission percentage being paid to a particular agency, which payments may be split into two accounts for the same agent (often in different jurisdictions).

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<sup>1</sup> OECD Convention on Combating Bribery of Foreign Public Officials

<sup>2</sup> United Nations Convention Against Corruption

<sup>3</sup> Council of Europe Criminal and Civil Law Conventions

- The party you are dealing with requests that any payments be made in cash, in another country, or payment be made to a third party.
- Pressure is brought to bear for the payment to be made urgently or ahead of schedule.
- Missing documents or records regarding meetings or decisions.
- Payment of, or making funding available for, high value expenses such as school fees, on behalf of others.
- Your due diligence reveals that the party you are dealing with has provided false information.
- Making illogical decisions about the project.
- Unexplained preference for certain contractors.
- Irrational explanation regarding fund destination.
- Lavish gifts are offered.

#### Recordkeeping & Accounting Provisions

- Payment descriptions do not match up with the type of account
- Vague description for payments made
- General purpose funds
- False Invoices
- Sending payments to wrong party
- Submission of inaccurate expense reports

#### **AMG MANAGEMENT**

AMG Management will ensure that their direct and indirect reports understand that bribery and corruption is unacceptable. AMG will periodically provide training to

applicable AMG employees, and regularly review this policy with their direct reports to ensure compliance with all applicable laws and regulations.

AMG will maintain processes, procedures and records that limit the risk of bribery and other forms of corruption.

AMG employees who fail to follow this policy are subject to disciplinary action up to and including termination of employment and the penalties for violations of these laws may be civil and criminal, and may apply to AMG and its employees.

## AMG EMPLOYEES

Every AMG employee is obligated to follow this policy.

- AMG employees must ensure that they have read and understood this policy, any related documents and all training or other anti-bribery information distributed by AMG. You are encouraged to offer feedback on this policy and related documents and their improvement. All feedback should be addressed to the relevant local Compliance Officer and/or to AMG's Legal & Compliance Team at [compliance@amg-nv.com](mailto:compliance@amg-nv.com).
- If you are uncertain about the potential applicability of this policy or any of the above-noted laws and regulations to your contemplated activity, you must use the Company resources available to you, including your direct manager and/or the relevant AMG compliance officer and/or the office of the Chief Compliance Officer. Any deviations from this policy require (i) a due diligence assessment (ii) prior internal (senior) business approval, (iii) approval by the relevant local compliance officer and (iv) proper recording of the deviation and approvals granted.
- All AMG employees are responsible for the prevention, detection and reporting of bribery and other forms of corruption. You are to avoid any activities which could possibly breach this policy. If you believe or suspect that a violation of this policy may or has occurred, you must report the breach or suspected breach as soon as possible to your operational and finance manager and the relevant AMG compliance officer.

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## SPEAK-UP and NO-RETALIATION

If you have any questions regarding this policy or concerns that about activities that involve or could involve bribery and corruption please contact your line manager, relevant local Compliance Officer or the AMG Chief Compliance Officer in accordance with AMG's SpeakUp & Reporting Policy.

AMG prohibits retaliation against anyone that raises a good faith concern or complaint under this policy, regardless of whether the concern or complaint ultimately is determined to be a violation of this policy, or applicable law.

Amsterdam/Wayne

Management Board

AMG Advanced Metallurgical Group NV