



Anti-Corruption Policy and Guidelines

Published: 2015

Owner: CEO

Revised: July 2025

## Table of contents

<b>1</b>	<b>Tone from the top</b> .....	<b>4</b>
1.1	Top level commitment.....	4
1.2	Key message.....	5
1.3	Application.....	5
1.4	Anti-Corruption Compliance functions.....	5
1.5	Expectations and declaration of compliance .....	6
<b>2</b>	<b>Anti-corruption policy and guidelines</b> .....	<b>6</b>
2.1	Duty to report concerns of misconduct.....	6
2.2.1	Bribery and other forms of corruption.....	7
2.2.2	Facilitation payments and kick-backs.....	7
2.3	Gifts .....	7
2.4	Hospitality, meals and entertainment Policy.....	8
2.5	Government officials .....	9
2.6	Charitable contributions and sponsorships .....	10
2.7	Political contributions.....	10
2.9	Recruitment and hiring .....	12
2.10	Third parties.....	12
2.10.1	General.....	12
2.10.2	Contracts.....	13
2.10.3	Terms .....	13
2.10.4	Payments.....	13

2.10.5	Risk based approach and Integrity Due Diligence of third parties.....	14
2.10.6	Fair Competition and Trade Compliance.....	14
<b>3</b>	<b>Risk assessment procedures.....</b>	<b>14</b>
3.1	Corruption risk assessment and internal controls .....	14
3.2	New territories .....	15
3.3	Integrity Due Diligence.....	15
3.4	Reporting and how to raise concerns .....	16
3.5	Response Framework for Reports of Violations .....	16
<b>4</b>	<b>Attachments.....</b>	<b>17</b>
<b>4.1</b>	<b>Attachment: Definitions and glossary .....</b>	<b>17</b>
<b>4.2</b>	<b>Attachment: Applicable laws.....</b>	<b>27</b>
4.2.1	The United Nations Convention against Corruption.....	27
4.2.2	Norway Civil Penal Code.....	27
4.2.3	US Foreign Corrupt Practices Act .....	27
4.2.4	Canadian Corruption of Foreign Public Officials Act (CFPOA) <sup>9</sup> .....	28
4.2.5	European Anti-Corruption Conventions <sup>10</sup> .....	28
4.2.6	German Anti-Corruption Legislation <sup>14</sup> .....	29
4.2.7	United Kingdom Bribery Act.....	30
<b>4.3</b>	<b>Attachments: Charitable Donation Request Form .....</b>	<b>30</b>
A.	Requester information .....	31
B.	Request information .....	32
C.	Request acknowledgement.....	33

This Hexagon Group Anti-Corruption Policy and Guidelines (“Policy”) is established to ensure compliance throughout the Hexagon Group with the principles and requirements set forth in the document.

Any reference in this document to Hexagon, Hexagon Composites, the Company or to the Group, refers to the ultimate parent Hexagon Composites ASA and/or any of its subsidiaries as applicable, at any level in the structure and to all entities being consolidated into the group at any time.

Attached to the document is a list of definitions and glossary, and a reference to the most relevant legislations for Hexagon. Please be sure to be familiar with all parts of the document.

## **1 Tone from the top**

### **1.1 Top level commitment**

We shall foster an organizational culture based on integrity and high ethical standards. The Board and Management of the Company are committed to carrying out business fairly, honestly and openly with no tolerance for corruption.

Hexagon opposes corruption in all forms – direct and indirect, active as well as passive, between public officials and private parties, in both private and public sectors. This includes any form of corruption, such as bribes, facilitation payments, trading in influence, network corruption (nepotism) and any form of illegal kick-back. We are committed to conducting our business in accordance with the highest ethical standards, as reflected in this Policy. The management of Hexagon shall use best efforts to adopt similar policies in any non-wholly owned subsidiaries of the company.

[Section 4.1](#) has definitions of the types of activities that are not tolerated in connection with Hexagon Composites activities, e.g. bid rigging, blackmail, cartel related activities, collusion, cronyism, unsubstantiated debarment, embezzlement, extortion, fraud and similar criminally sanctioned activities.

Hexagon also works with business partners and other third parties, and we strive to ensure that such third parties adhere to anti- corruption rules or policies with similar content as this Procedure, as well as applicable laws and regulations. We expect from our partners that they comply both with the law and with the principles in this Policy, as set forth in our Supplier Code of Conduct.

We will ensure that all our employees and suppliers have the possibility to report concerns regarding potential breaches of the requirements set out in this document. We will ensure that all reported concerns will receive a fair investigation conducted with relevant internal or external assistance. We will ensure that Hexagon will sanction breaches of the requirements set out in this document.

## **1.2 Key message**

Hexagon Composites shall work proactively in order to design, implement and monitor adequate procedures in order to prevent corruption.

Hexagon Composites business practices shall be conducted with integrity and in compliance with applicable laws and regulations in the relevant jurisdictions in which Hexagon operates or does business. Jurisdiction depends on various factors, such as the ordinary place of business, where the activity is conducted, the nationality and residence of involved personnel, contractual regulations and specific elements identified in national law.

All Hexagon Composites employees, contractors, suppliers or business partners (referred to herein as Hexagon Personnel) dealing with governmental authorities, customers, suppliers and partners shall be given requisite knowledge of our policy and guidelines regarding gifts, benefits, and entertainment enabling them to assess situations that are or potentially may be, in violation of our policies and guidelines.

## **1.3 Application**

This Policy and Guidelines apply to all Hexagon personnel worldwide, including the Board of Directors, managers, supervisors, employees, independent contractors, agents, and temporary personnel, as well as suppliers and participants within our supply chain, anyone doing business for or with Hexagon and others acting on Hexagon's behalf. This policy applies to all locations where Hexagon conducts business, including all Hexagon facilities and offices worldwide and throughout Hexagon's operations. If a minority-owned subsidiary lacks a similar policy, it is required to adopt Hexagon's policy.

The purpose of the Anti-Corruption Policy and Guidelines is to set a common standard for all individuals and business units to whom this policy and guidelines apply, and to provide information, guidance and clarity on how to recognize and deal with corruption and bribery dilemmas.

## **1.4 Anti-Corruption Compliance functions**

The Anti-Corruption Compliance structure in Hexagon Composites is as follows:

The Group CEO is responsible for ensuring compliance within the Group. The management of this task is delegated to the Group CFO.

The Group CFO is the ultimate point of contact to register any issues around compliance or potential compliance breaches, real or suspected. The Group CFO ensures that the Anti-Corruption Policy and Guidelines are established, communicated and understood within the Group.

The Group CFO delegates the management of this within the business units to the appointed Compliance Officers.

The Group and subsidiary CFOs are Compliance Officer in each company and collectively Hexagon Composites Group Compliance Officers.

### **1.5 Expectations and declaration of compliance**

All managers and other employees dealing with governmental authorities, agents, distributors, customers and suppliers shall annually affirm that they have read and will comply with the most recent version of this Anti-Corruption Policy and Guidelines. The affirmation will be by e-mail reply or other electronically based feedback. Other groups of personnel will receive information and training and will be required to demonstrate a level of proficiency in the subject matter.

## **2 Anti-corruption policy and guidelines**

Please refer to the attachment with definitions and glossary for complete understanding of the policy and guidelines.

### **2.1 Duty to report concerns of misconduct**

Hexagon Composites is committed to carrying out business based on integrity and the highest ethical standards and applicable law in all relevant jurisdictions regarding anti-corruption.

Hexagon personnel are committed to report suspected misconduct or violations of the Company's Anti-Corruption Policy and Guidelines to the Group compliance officer or local compliance officer. Hexagon Composites will not impose any form of retaliation against anyone making a good faith report.

## **2.2 Prohibited Payments**

### **2.2.1 Bribery and other forms of corruption**

All forms of bribery and corruption are strictly prohibited. This also applies to all forms of receiving or giving any improper or undue advantages such as, but not limited to cash, stocks, gifts, discounts, travels, personal benefits, favors or any other undue advantages.

### **2.2.2 Facilitation payments and kick-backs**

Facilitation payments are prohibited, and no such payments shall be made by or on behalf of Hexagon Composites. In exceptional circumstances, for example if life, health or property is at risk or seriously endangered and there are no other alternatives, such payments may be considered. In such cases the Compliance Officer shall be notified as soon as possible, and a written report shall be submitted to the Group compliance officer or Subsidiary compliance officer.

## **2.3 Gifts**

### **Policy**

Gifts may only be acceptable if of modest value and not intended to gain an improper or undue advantage or influence. It shall always be considered whether the gift seems reasonable and justifiable.

### **Guideline**

This policy does not prohibit giving or receiving small and appropriate gifts. All gifts must, however, comply with our guidelines and be accepted as ethical and good business practice in the jurisdiction in which they are given or received. All gifts must be modest and of little or no financial value. A general guideline of USD 100 is given

The intention behind giving or receiving the gift shall always be considered, including whether the gift seems reasonable and justifiable.

When considering if a gift is compliant with this document and hence be acceptable, you must consider if:

- (i) It is of low or no financial value (in general not exceeding USD 100);
- (ii) There is no intention or reason to perceive an intention to either influence the recipient or obtain or retain an

improper advantage;

- (iii) There is no explicit or implicit expectations or favors related to the gift;
- (iv) It complies with all applicable laws (e.g., local and/or international law);
- (v) It is consistent with local and international business practices;
- (vi) It is appropriate to give or receive it in the circumstances it is given; or
- (vii) It is given openly and with full transparency internally and with the recipient's leader.

Hexagon Composites does not permit any employee, or any other person to act directly or indirectly on behalf of the Company:

- To solicit any gift or other personal advantage in the course of their employment or assignment.
- To offer, give or receive any gift in excess of a value of USD 100. Where a gift offered by Hexagon Composites is in keeping with local traditions/customs and exceeds this value, the Compliance Officer must be notified and must assess and approve such a gift.

Gifts shall under no circumstances be given to government officials unless prior consent has been obtained from the Compliance Officer.

If an individual is offered a gift that does not comply with Hexagon Composites' policy, the gift shall politely be refused. If an individual cannot refuse the gift, it shall without delay be reported to management and provided to the Compliance Department for registration, storage, destruction or whatever action is considered appropriate within this Policy.

## **2.4 Hospitality, meals and entertainment Policy**

Hospitality, meals and entertainment of modest value, proportionate to the business rationale behind it, may be offered or received if it is reasonable with respect to local customs. Hospitality, meals and entertainment of modest value may be offered or received if it is reasonable in respect to local customs, in compliance with all applicable laws and is related to promotion or demonstration of our products. Hexagon Composites prohibits any exchange hospitality, meals or entertainment, which has or

may give the appearance of a purpose to influence the receiver in an improper manner. Factors that give rise to impropriety include purpose, value or costs, nature, content, timing and frequency. Hexagon Composites expects any representative to exercise good judgment in these situations and seek guidance when in doubt.

Asking for or soliciting meals or entertainment is strictly prohibited.

## **Guideline**

Prohibited hospitality and entertainment benefits include, but are not limited to:

- Weekend or holiday trips on behalf of or connected to Hexagon Composites or can reasonably be perceived as connected to Hexagon Composites
- Any benefit that is offered directly or indirectly with the intention of receiving anything in return
- Expensive meals or other sorts of hospitality that cannot be considered modest on behalf of or connected to Hexagon Composites or can reasonably be perceived as connected to Hexagon Composites
- Personal discounts or other private hospitality or entertainment benefits.
- Any hospitality, gift or entertainment benefit given or received during a procurement or tendering process.

If any Hexagon Composites employee is invited to attend overnight stays, travels or premium events such as international conferences etc., attendance requires prior consent by the Compliance Officer. Such events will only be accepted if there is adequate business rationale for the attendance, and all costs shall be covered by Hexagon Composites. If attendance in any way could be misinterpreted or seem inappropriate, such offers shall be politely refused.

## **2.5 Government officials**

### **Policy**

Hexagon Personnel shall never offer anything, directly or indirectly, to any public official, or anyone who has a close relationship with a public official, in return for any sort of favorable treatment.

## **Guideline**

When involved in public procurement or tendering processes with public entities, particular caution shall be exercised. All forms of gifts, hospitality and entertainment are prohibited to any public officials involved in the procurement process. Hexagon Composites will conduct procurement processes in accordance with all applicable laws, accepted business standards, and to the extent possible, in a transparent manner.

## **2.6 Charitable contributions and sponsorships**

### **Policy**

Hexagon Composites does accept and encourage charitable contributions and sponsorships which is or can reasonably be perceived as connected to a position, assignment or office. However, such contributions and sponsorships may pose considerable corruption risks. All charitable contributions and sponsorships shall be transparent and in accordance with applicable laws.

### **Guideline**

Before entering into any major charitable ventures, an anti-corruption risk assessment and due diligence shall be performed. Prior consent by the Compliance Officer is required for all contributions exceeding USD 300. The form in the attachment is to be used when applying for consent.

## **2.7 Political contributions**

### **Policy**

Hexagon Composites shall remain neutral with regard to political parties and candidates for public office. The Group shall refrain from making direct contributions to political parties or politicians.

### **Guideline**

The policy does not prevent companies in the Group from being ordinary members of trade associations or other industry/membership organizations that may advocate or lobby in support of industry initiatives that are salient to the Hexagon

Group's business. As such associations or organizations may contribute directly or indirectly to political parties, political interests or politicians, payments should be limited to ordinary membership fees and, to the extent possible, not include direct campaign-related payments, provided there is no connection to a position, assignment or office.

In the case of Political Action Committees (PACs)<sup>3</sup>, individual employee contributions and/or membership contributions shall be consistent with applicable state and federal law. Employees who make such contributions are encouraged to make them to organizations with direct relevance to the business areas and business interests of Hexagon.

Employees may support causes of their choice but may not make political or charitable contributions using Group funds or in the Group's name. Employees may contribute their own time and resources to political causes and may promote political candidates but may not do so while at work or leveraging Group resources or property.

## **2.8 Conflicts of interest**

### **Policy**

Employees shall refrain from any actions that may create, or may appear to create, a direct or indirect conflict of interest between the employees' private interests and the interests they are to protect as an employee of Hexagon Composites.

### **Guideline**

Any professional position, board position etc. outside Hexagon Composites shall be reported to the relevant line manager. Should the scope of such activities be at a level in terms of remuneration and/or efforts expected, which is more than insignificant compared to the position in Hexagon, the position will be subject to pre-approval. Remuneration from an individual assignment exceeding 10% of remuneration from Hexagon is significant, and 15% in aggregate for multiple positions the same. A significant level of effort expected must be defined case by case. Employees may not have external positions of trust, secondary occupations or ownership interests that are, or may appear to be, in conflict with the interests the employee is to protect as an employee of Hexagon Composites.

All employees are responsible for informing Hexagon Composites where there is a close personal relationship, which may have an impact on the integrity of decisions. A close personal relation is a parent, sibling, spouse, cohabitant, parents in law or other close relationship. If there is a close personal relationship, employees must inform their immediate manager as soon as possible. The Company will assess and consider appropriate steps to avoid potential conflicts of interest and breaches of confidentiality. If in

<sup>3</sup> This is in practice mostly related to USA. See attachment Definitions and Glossary for more information on PACs.

doubt, employees should seek guidance from superiors or their relevant Compliance Officer.

## **2.9 Recruitment and hiring**

### **Policy**

Hexagon Composites shall exercise due care when recruiting or hiring relatives or other persons with close ties to government officials, or to customers, suppliers or other third parties in any way related to or involved with Hexagon Composites. All such recruitment and hiring must be approved by the Compliance Officer.

### **Guideline**

All recruiting or hiring shall be based on qualifications, objective criteria and competence. This also applies when hiring or entering into partnerships with agents, consultants, contractors, suppliers, and other third parties. Hexagon Composites does not permit recruitment as a favor to a government official or to third parties. Hexagon Composites cannot under any circumstances offer employment or other engagement of people or companies in exchange for a benefit to Hexagon Composites. Furthermore, no employees may offer employment to anyone in order to obtain personal benefit. Recruitment, secondment and capacity building to fulfil a partner agreement or to comply with local content requirements are acceptable provided that it follows this Anti-Corruption Policy and relevant HR process requirements.

## **2.10 Third parties**

### **2.10.1 General**

All dealings with third parties shall be carried out in compliance with our Anti-Corruption Policy and Guidelines and all applicable laws, including Norwegian, international and local laws.

Hexagon Composites and others acting directly on behalf of the Company, shall make our Anti-Corruption Policy and Guidelines available and known to all third parties and make it clear that the Company requires all activities carried out on Hexagon Composites' behalf to comply with these policies and guidelines.

All employees dealing with agents or other third-parties directly involved in transactions concerning Hexagon Composites shall ensure that all payments made to any such agent, or third party represents an appropriate and proportionate remuneration for

legitimate services rendered. Agents or third parties should only be hired to the extent that it is necessary and appropriate for the regular conduct of Hexagon Composites' business.

The Compliance Officer shall maintain a record of the names, terms of employment, and payments of all agents who are retained in connection with transactions with public bodies, state or private enterprises. Hexagon Composites shall also obtain and maintain integrity due diligence files on all medium or high risk third parties. These records shall be available for inspection as and when required.

Hexagon Composites will take measures to ensure that subcontractors, suppliers and similar third parties comply with our Anti-Corruption Policy and Guidelines in dealings on Hexagon Composites' behalf. We commit to avoiding any dealings with suppliers who are known to, or can reasonably be suspected to, be paying bribes, or engaging in other misconduct.

#### 2.10.2 Contracts

All dealings with third parties shall be regulated and/or confirmed by a written contract or document. If the agreement is, in the utmost case, reached orally, terms and conditions must be confirmed in writing. The contract and documents shall clearly state the purpose of the cooperation, and the services provided to Hexagon Composites by the third party.

Hexagon Composites requires that such contracts include provisions providing fair and accurate books, records and accounts and terminating agreements with third parties if a bribe is paid or other forms of violations of the Anti-Corruption Policy and Guidelines are committed by the third party or its partners.

#### 2.10.3 Terms

All terms of cooperation with, and payments made to, third parties shall be within normal business practices and comply with a regular business rationale.

#### 2.10.4 Payments

Any payments directed to companies or third parties in so called "tax havens" should be brought to the attention of the relevant Compliance Officer for review and approval.

All payments to third parties must be made by bank transfer, electronic/wire transfer or using bank checks, and no payments shall be made without a descriptive invoice that clearly and in detail states the services rendered.

### 2.10.5 Risk based approach and Integrity Due Diligence of third parties

Hexagon Composites shall have a risk-based approach to our directly engaged third party partners and shall conduct different levels of Integrity Due Diligence investigations of all high risk third parties. (Refer to section 3.3 on levels of due diligence).

All such third parties must comply with Hexagon Composites requests for audits on a periodic basis.

### 2.10.6 Fair Competition and Trade Compliance

Hexagon Group supports all efforts to promote and protect competition, including the legitimate protection of intellectual property and marketing rights. Hexagon Group conducts business in compliance with all applicable fair trade, competition and antitrust laws and regulations. Hexagon Group does not permit any employee to engage in anti-competitive discussions or enter into anti-competitive agreements, including relating to illegal price fixing, market sharing, customer allocation or other illegal restrictive practices, at any level of the production or distribution chain. Hexagon Group does not facilitate or support money laundering or any other tactic that may allow individuals to disguise the source of funds obtained illegally.

Hexagon Group complies with all applicable export control laws and regulations, including economic sanctions policies, both domestically and internationally. Hexagon Group does not export, re-export, transmit or cause to be exported, re-exported or transmitted any product, commodity, accompanying software, and/or technical data to any country, individual, corporation, organization, or entity to which such export, re-export or transmission is restricted or prohibited.

## 3 Risk assessment procedures

### 3.1 Corruption risk assessment and internal controls

Hexagon Composites shall perform periodic corruption risk assessments. The assessments shall take into account both existing and new or anticipated activities. The assessment shall consider the likelihood and potential impact corruption incidents may have on Hexagon Composites. The risk assessment shall cover all aspects of the Anti-Corruption Policy and Guidelines. Hexagon Composites shall implement adequate internal controls in order to mitigate unacceptable corruption risks and ensure that these controls are designed, implemented and operated effectively.

### 3.2 New territories

When conducting business in high corruption risk countries, as may defined by any reputable anti-corruption index, including but not limited to those published by [www.transparency.org](http://www.transparency.org) or [www.ganintegrity.com](http://www.ganintegrity.com), Hexagon Composites shall normally conduct an anti-corruption risk assessment. Based on the assessment, necessary steps to ensure compliance with our Anti-Corruption Policy and Guidelines and all applicable laws, including Norwegian law, international law, and local laws regarding anti-corruption shall be taken. Such steps may include Integrity Due Diligence on new partners.

### 3.3 Integrity Due Diligence

Due diligence is an investigation or audit of a potential investment, business or individual prior to entering into a business agreement or transaction. Due diligence is an integral part of the compliance program. Companies can be held liable for the actions of third parties (e.g., suppliers, intermediaries and vendors), hence the need to mitigate third party risks.

A due diligence investigation can be performed in three steps:

- Step 1: First, high-level screening in open source. In case of red flags or continuous suspicion;
- Step 2: Detailed screening open sources. In case of red flags or continuous suspicion;
- Step 3: Detailed investigation on the ground

In addition to screening different sources, a due diligence investigation in this context often takes the form of a questionnaire that can be requested to fill in from an internal or external source. The DDI typically addresses questions like

- Country risk in the relevant country
- Company related information (counterparty or third party)
- Type of service to be performed
- The remuneration planned
- Potential areas of conflict of Interest

- Any red flags
- Other and general topics

### 3.4 Reporting and how to raise concerns

Hexagon Personnel are required to report possible violations without undue delay. Reporting options include:

- Your direct manager or other individual in management
- Your compliance officer
- The Legal department
- Your HR representative
- Hexagon's independent [whistleblower channel](#)

### 3.5 Response Framework for Reports of Violations

All reports of suspected violations of this policy will be taken seriously and will be handled in a fair, objective and transparent matter. Hexagon Composites shall, to the extent possible, secure the anonymity of the person reporting the concern and shall handle all reports confidentially to the extent possible. Violations reported via our whistleblower channel will be handled in accordance with applicable law and our internal whistleblower procedures. We will endeavor to share information only with those who are necessary to properly investigate the matter.

Hexagon Composites, in coordination with the Group compliance officer, will diligently investigate any reported violation. The scope of the investigation will take into account various criteria, including the complexity and severity of the concern, the parties involved, and the perceived access to reliable information regarding the reported violation. Actions to be taken include, but are not limited to:

- An initial assessment to determine who needs to be informed/involved and how the reported violation will be handled;
- Determination of how to proceed with an investigation, including possible inquiries and timing considerations;
- Coordination of inquiries, including scope and determining who should conduct the inquiries;

- Preparation of a summary report, including findings and observations on the reported violation, as well as the procedure and actions recommended to be taken.

Hexagon is committed to taking actions to identify the root cause of any reported violation and prevent similar types of violations from occurring in the future.

## 4 Attachments

### 4.1 Attachment: Definitions and glossary<sup>4</sup>

Kindly note that a number of words, terms and definitions in the list are not directly used in the policy but included in the document for reference and completeness.

The list – in alphabetical order – of definitions and words are an integrated part of the Anti-Corruption Policy and Guidelines.

**Abuse of Functions** Abuse of functions occurs when an employee or office holder uses their position to perform an illegal act, or an act that he/she has no legal authority to do, to pursue a private gain. It usually results in either a benefit or damage to others. Failure to act can also constitute an abuse of functions.

One form of abuse of functions is the misuse of information (e.g., when an employee or official acts on private information acquired by virtue of her/his position to speculate or help another on the basis of this information).

**Agent** An agent is a person (natural or legal) with the authority, formal or perceived, to act for or represent another person or party.

Companies can be held liable for their agents' acts of corruption, including for channeling bribes, for not reacting to corrupt acts, or for acts the agent should have known about given the presence of clear signs of the acts taking place.

Companies can be held liable for their agents' acts of corruption, including for channeling bribes, for not reacting to corrupt acts, or for acts the agent should have known about given the presence of clear signs of the acts taking place.

Increasingly, companies are liable for corrupt acts committed by their agents if the company did not have “adequate procedures” in place to prevent the acts. Due diligence in the choice of agents is therefore important for companies to avoid criminal liability for third parties’ acts.

#### Anything of value

There is no minimum value or monetary threshold to what might be construed as a bribe or corruption. The term anything of value might include all types of personal gain, including gain with no or little monetary value to the recipient. The term may, as applicable, also include personal gain with other value than money.

#### Bid Rigging

Bid rigging is a form of collusion in which bidders on a contract decide between themselves which bidder should be successful in the tender and then draft their bids accordingly. Forms of bid rigging include bid rotation, complementary bidding and cover pricing. Bid rigging can constitute a cartel or antitrust offense.

#### Blackmail

Blackmail is the crime of threatening to reveal potentially damaging information about a person to the public, a family member, or associates unless a demand made upon the victim is met. Blackmail is similar to extortion and the two are often used interchangeably. But while extortion is commonly understood to involve coercion, blackmail generally relates to the disclosure of information.

#### Bribery

Bribery is defined as the offering, promising, giving, authorizing or accepting of anything of value, such as gifts, loans, fees, rewards or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise's business. This includes all such acts in order to obtain or retain business or other improper or undue advantages, for example in connection with private or public procurement processes, regulatory permits, taxation, and customs, judicial and legislative proceedings. In Norwegian law inducement or intent to influence is not a legal requirement, only whether the advantage is undue.

Bribery occurs during an interaction between two parties. Usually, both the giving and the receiving parties of the bribe commit a crime.

#### Cartel

A cartel is an agreement (formal or informal) among competing companies to coordinate prices, marketing or production of a good or service. Cartel members may agree on matters such as prices, total industry output, market shares, allocation of customers, allocation of territories, bid rigging, establishment

of common sales agencies, the division of profits, or a combination of these.

**Code of Conduct** A company's code of conduct is a policy that outlines principles and standards that all company personnel, and third parties acting on behalf of the company, must follow. A code of conduct is an integral part of compliance efforts as, in case of illegal activity, it provides documentation that an employee/vendor/supplier/etc. has violated company policy.

**Code of Ethics** A company's code of ethics outlines the core values a company seeks to adhere to in all its business operations. A commonly used ethical standard is the UN Global Compact's Ten Principles, which covers human rights, labour, the environment, and anti-corruption.

**Collusion** Collusion is a non-competitive agreement, usually secretive, between two or more people or businesses to limit open competition, typically by defrauding or gaining an unfair advantage. It can involve an agreement among companies to divide the market, to set prices, to limit production or to share private information. It may also involve bid rigging. The aim of collusion is to increase individual members' profits.

**Competition / Antitrust Law** Competition/antitrust law regulates the conduct and organization of businesses to promote fair competition for the benefit of consumers and in the economic interests of society. Competition laws are strongly enforced in most countries, but a robust compliance program will mitigate a company's risks.

In interactions with competitors, companies should never discuss markets, prices or strategies, and companies should be able to identify red flags.

**Compliance Program** A compliance program is a company's set of internal policies and procedures, its training (to ensure policies & procedures are understood), and its monitoring and reviewing of policies and procedures implemented to ensure legal and regulatory obligations are met. Failure to implement proportional procedures creates potential criminal, civil and business consequences. Implementing adequate procedures helps manage these risks while creating a competitive business advantage.

**Conflict of Interest** A conflict of interest exists when an individual has competing professional obligations or personal or financial interests that have the potential to influence the exercise of her/his duties.

Private or personal interests include family and other relatives, personal friends, the clubs and societies to which an individual belongs, private business interests, investments and shareholdings, and any person to whom a favor is owed.

**Corporate Liability** Corporate liability refers to the legal responsibility of a company for criminal actions (or failure to act, in some cases) committed by one or more of the company's employees or representatives. Different degrees of corporate liability exist across countries.

**Corruption** There is no single globally accepted definition of corruption. Transparency International, the leading international NGO<sup>5</sup> in curbing corruption, defines it as "the abuse of entrusted power for personal gain." The abuse of entrusted power for corporate gain will also undoubtedly be considered corruption. The main forms of corruption are bribery, embezzlement, fraud and extortion. Under Norwegian law, corruption occurs when a person, for him or herself or others, offers, gives, requests or accepts an improper advantage in connection with a position, office or assignment. An improper advantage can be anything of material or immaterial value, financial or non-financial, and can be given or received directly or indirectly. It is not required that the improper advantage has actually influenced a decision or inaction.

**Cronyism** Cronyism is a form of favoritism shown to close friends. A typical situation of cronyism would be the political appointment to the office of a friend without regard to the person's qualifications.

**Culture of Compliance** A company has a culture of compliance when compliance is a paramount and unalterable part of the corporate culture. In such a culture, compliance is a focus of management (tone at the top) and is integral to company operations, and a company can document that a non-compliant employee is an exception to the rule.

**Debarment/**

**Blacklisting** Debarment or blacklisting are procedures by which companies or individuals are excluded from public contracts. This process is an administrative sanction used by governments or agencies to publicly punish companies, organizations, countries or individuals found guilty of unethical or unlawful behavior. In the European Union, a procurement directive makes debarment of companies and persons convicted of bribery compulsory everywhere in the EU.

<sup>5</sup> NGO = Non-Governmental Organization

Demand Side/ Passive Bribery	Demand side or passive bribery entails an individual or entity asking for or accepting, for himself or others, an advantage in return for acting or not acting in relation to one's official duties. A typical form of demand side bribery is the denial of goods or services.
De minimis	In a lawsuit, a court applies the de minimis (Latin) doctrine when an offense is deemed too insignificant to be put under judicial scrutiny. In some countries' legal systems, official de minimis exceptions for corruption offenses exist (e.g., for gifts of minimal value).
Donations	A donation is understood as a monetary or non-monetary gift to a fund or cause, typically for charitable reasons. If a donation is given with the purpose of giving a company an undue advantage, it will likely be considered bribery. Most countries have national rules for political party financing, including rules for disclosure. Many companies address the use of political donations in their code of conduct.
Due Diligence	Due diligence is an investigation or audit of a potential investment, business or individual prior to entering into a business agreement or transaction.  Due diligence is an integral part of any compliance program: Companies can be held liable for actions of third parties (e.g., suppliers, intermediaries and vendors), hence the need to mitigate third party risks.
Embezzlement	Embezzlement is the fraudulent appropriation of money or property for personal gain by an individual entrusted to safeguard assets in another's interests (e.g., governments, organizations, or companies). Embezzlement can be committed by a person entrusted with private or public resources.
Ethics (Business)	Business ethics are the values a company upholds throughout its operations. Common ethical considerations include human rights, the environment, anti-corruption, and labor rights. Ethics can be guided by law or public pressure and are often implemented to establish a degree of trust between stakeholders (e.g., consumers).
Extortion	Extortion is the unlawful use of one's position or office to obtain money through coercion or threats. One example would be when customs officials request undue 'customs duties' from importers as a condition to clear their goods.

- Extra-Territoriality** Extra-territoriality refers to when a law has jurisdiction outside of the country from where it originates. Companies or individuals with links to where the extra-territorial law originates can be held liable for offenses committed in other countries.
- Facilitation Payments** Facilitation payments (also known as “grease payments”) are a form of bribery made with the purpose of expediting or securing the performance of a routine action to which the payer is legally entitled to. Facilitation payments are typically demanded by low-level and low-income officials. In some countries, it is sometimes customary to provide small unofficial payments, but the practice is illegal in most countries, including (but not limited to) Norway, the United States, Canada, Germany and the United Kingdom, and are prohibited under this policy.
- Fraud** Fraud involves the use of deception, trickery and a breach of trust to gain an unfair or unlawful advantage. Occupational fraud entails the use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the company’s resources or assets.
- Gifts and Hospitality** Gifts and hospitality (including travel and entertainment) are legitimate expenses and common business practices to build relationships or to express appreciation. Disproportional gifts and hospitality are sometimes offered, given, solicited, or received with an obligation or expectation to provide a benefit in return. Accordingly, gifts and hospitality may be corruption offenses, may be used to facilitate corruption, or may give the appearance of corruption. Companies should cover the use of gifts and hospitality in their codes of conduct. The general tendency is for companies to state that gifts must be reported and be of nominal value.

Government officials (public official, foreign official)	<p>Government official means any officer or employee of a government, or any department or agency, government-owned or government-controlled state enterprises, any person acting in an official capacity for or on behalf of a government or government entity or of a public international organization, any political party or party official, or any candidate for political office.</p> <p>Government officials include not only elected officials, but also consultants who hold government positions, employees of companies owned by a government or political party officials.</p>
Graft	Graft is a form of political corruption in which an official acquires financial gain by dishonest or unfair means, especially through the abuse of one's position. Unlike bribery, graft does not require the official to provide an undue advantage; it is enough that she/he gains something of value apart from her/his official pay when working.
Kickbacks	Kickbacks are a form of bribery where one party obtains an undue advantage, and a portion of the undue advantage is "kicked back" to the individual who gave or will give the undue advantage. It differs from other forms of bribery in that it implies a form of collusion between the two parties.
Leniency	Leniency for participation in a crime is a blanket term covering either immunity from prosecution (dismissal of all charges) or a reduction of penalties. If a company has an effective compliance system in place, this can induce leniency in case of a prosecution.
Money laundering	Money Laundering is a process in which the ownership, destination and origin of illegally obtained money is concealed or disguised. The objective of money laundering is to make illegally obtained money appear to originate from a legitimate source.
Nepotism	Nepotism is a form of favoritism shown to family members without regard to merit.
Patronage	Patronage is a system in which a number of organizations, companies and/or individuals bestow support or financial benefits upon one another. Political patronage occurs when political supporters are rewarded for their support (e.g., by being appointed to public office or receiving contracts, subsidies or other benefits), regardless of merits.

**Petty Corruption** Petty corruption refers to everyday corruption where public officials abuse their power in interactions with citizens or companies who try to access basic goods or services. It is sometimes referred to as “routine” corruption. Petty corruption can also be described as “survival” corruption, a form of corruption sought by low- level or mid-level revenue officers who are grossly underpaid and who depend on taking relatively small, but illegal, payments. See facilitation payments.

**Political Action Committee (PAC)** In the United States and Canada, a political action committee (PAC) is an organization that pools campaign contributions from members and donates those funds to campaigns for or against candidates, ballot initiatives, or legislation. The legal term PAC has been created in pursuit of campaign finance reform in the United States. This term is quite specific to all activities of campaign finance in the United States. Democracies of other countries use different terms for the units of campaign spending or spending on political competition. At the U.S. federal level, an organization becomes a PAC when it receives or spends more than \$1,000 for the purpose of influencing a federal election, and registers with the Federal Election Commission, according to the Federal Election Campaign Act as amended by the Bipartisan Campaign Reform Act of 2002 (also known as the McCain-Feingold Act). At the state level, an organization becomes a PAC according to the state's election laws.<sup>6</sup>

In the US, the Federal Election Campaign Act (the Act) generally prohibits corporations (including incorporated trade associations and membership organizations) and labour organizations from using their general treasury funds to make contributions to federal candidates, federal accounts of political party committees, and other political committees (PACs). 52 U.S.C. § 30118(a). They may, however, fund independent expenditures, contribute to political committees established solely to finance independent expenditures (e.g., Super PACs), contribute to the non-contribution accounts of Hybrid PACs, and establish separate segregated funds (SSFs).<sup>7</sup>

**Price Fixing** Price fixing is an agreement between competing businesses to buy or sell a product, service, or commodity at an agreed upon price. It can also entail maintaining the market conditions so that the price is kept at a given level by controlling supply and demand. Price fixing seeks to coordinate pricing for the mutual benefit of the traders. The group of “market shapers” involved in price fixing is sometimes referred to as a

<sup>6</sup> Source: [www.wikipedia.org](http://www.wikipedia.org)

<sup>7</sup> Source: Campaign Guide, Federal Election Commission, USA, January 2018.

cartel.

Antitrust laws commonly criminalize price fixing, but many exceptions exist.

#### Proportionality

Proportionality means that a company should establish adequate policies and prevention, detection, and follow-up measures based on the company's risk assessment, proportionate to the size, nature and complexity of the company's business activities.

#### Recovery of Assets

The recovery of assets is a legal process through which goods or resources stolen through corruption are repatriated.

#### Red Flags

Red flags are warning signs of potential business risks. They should be periodically researched, analyzed, reviewed and addressed as part of your company's compliance activities.

#### Red Tape

Red tape is a term for excessive regulation or rigid conformity to formal rules that hinders or prevents actions or decisions.

#### Risk Assessment

A risk assessment is a process a company undertakes to identify and assess potential operating risks. These risks should be regularly assessed, and information should be subsequently disseminated and acted upon at all levels within the company. Risk assessments should be an integral part of a company's compliance program.

#### Subsidiary

A subsidiary is a company whose voting stock is more than half-controlled by another company, known as the parent (or holding) company.

If a parent company owns a foreign subsidiary, the parent company must follow the laws in the subsidiary's country, as well as its own, and vice versa. Thus, a company can be held liable for corrupt practices conducted by a subsidiary even if the subsidiary is located in another country.

#### Supply Side/ Active Bribery

Supply side/active bribery entails the promise, offering or giving of an undue advantage (directly or indirectly) as an inducement for an official, a person or an entity to act (or fail to act) in a manner inconsistent with her/his official duties.

Common forms of supply side bribery are direct payments, gifts, hospitality, and donations or contributions to political parties.

### Third Party/

#### Intermediary

A third party is an external individual or entity that acts on a company's behalf. An intermediary (or go-between) is a third party that mediates services between two parties. Third parties include a broad range of entities and individuals that act directly on Hexagon Composites' behalf or provide goods or services to the Company. These include, but are not limited to suppliers, sales agents, business development consultants, sales representatives, customs agents, joint venture partners, and other related parties not explicitly mentioned here that are directly engaged by the Company.

Third parties represent a high risk as companies have less control on third parties' business behavior. Third parties should be assessed regularly and should be informed of a company's code of conduct and other relevant policies, and due diligence should be performed on all third parties.

#### Tone from the Top

Tone from the top entails clearly articulated policies as well as a visible and consistent commitment to compliance from top management, both publicly and inside the company/organization.

#### Trading in Influence/

#### Influence Peddling

Trading in influence occurs when an individual who has real or apparent influence on another exchanges this influence for an undue advantage. There are demand and supply sides to this act. An influence peddler solicits, receives or accepts an undue advantage from a person so that she/he can exert her/his influence on another party's decisions.

#### Undue Advantage

An undue advantage refers to a benefit of some kind that a company or individual is not legally entitled to and that it has obtained through illegal means.

#### Whistleblower

A whistleblower is an employee, former employee, or organization member who reports workplace misconduct. Employees should be able to report violations without fear of retaliation through a confidential whistleblowing mechanism. A company's compliance program and internal controls should be updated after an internal investigation takes place. Different countries establish different degrees and forms of protection for whistleblowers in the private and public sectors.

## 4.2 Attachment: Applicable laws

This section provides a high-level overview of the legislation in countries where Hexagon has substantial operations. The content is a reference and not exhaustive either for the legislation listed nor for other legislation of operation. Please consider seeking more legal advice as and when needed.

### 4.2.1 The United Nations Convention against Corruption

The United Nations Convention against Corruption is the only legally binding universal anti-corruption instrument. The Convention's far-reaching approach and the mandatory character of many of its provisions make it a unique tool for developing a comprehensive response to a global problem. The Convention covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange. The Convention covers many different forms of corruption, such as bribery, trading in influence, abuse of functions, and various acts of corruption in the private sector. A highlight of the Convention is the inclusion of a specific chapter on asset recovery, aimed at returning assets to their rightful owners, including countries from which they had been taken illicitly. The vast majority of United Nations Member States are parties to the Convention.<sup>8</sup>

### 4.2.2 Norway Civil Penal Code

Under the Norwegian General Civil Penal Code (GCPC) it is illegal to promise, offer, give, request, accept or receive any kind of improper advantage, directly or indirectly, in connection with a position, office or assignment, cf. GCPC section 276a and 276b. Thus, the GCPC applies to both active and passive bribery, and commercial bribery in addition to bribing public officials. Furthermore, offering or accepting any improper advantage in return for influencing the conduct of a position, office or assignment (trading in influence), is illegal, cf. 276c. Enterprises may be held criminally liable for the abovementioned acts committed by a person who acted on behalf of the enterprise, cf. GCPC section 48a and section 48b. This liability is for acts committed word wide.

### 4.2.3 US Foreign Corrupt Practices Act

Under the United States Foreign Corrupt Practices Act (FCPA), 15 U.S.C. §§ 78dd-1 et seq., it is unlawful to corruptly offer or pay

<sup>8</sup> Source: GAN Business Anti-Corruption Portal

anything of value to any foreign official for the purposes of obtaining or retaining business. Moreover, the FCPA has strict provisions concerning record keeping and internal controls. The FCPA covers all United States issuers and domestic concerns, including their officers, directors, employees, agents or stockholders. Foreign persons are also subject to the FCPA while in the territory of the United States.

Furthermore, title 18, section 201 of the United States Code, 18 U.S.C. § 201, directly criminalizes federal public corruption by prohibiting the payment, offer and receipt of bribes by federal public officials. Other federal laws, including the Travel Act, 18 U.S.C. § 1952, and mail and wire fraud statutes, 18 U.S.C. §§ 1341, 1343 and 1346, are also used to criminally prosecute commercial bribes.

#### 4.2.4 Canadian Corruption of Foreign Public Officials Act (CFPOA)<sup>9</sup>

The Corruption of Foreign Public Officials Act (CFPOA) aims to discourage companies from engaging in corrupt acts abroad. The law brings Canada in line with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Convention). More recent changes to the CFPOA have increased the maximum penalties and established accounting provisions comparable to the FCPA.

Recent amendments and increased enforcement actions have toughened Canada's Corruption of Foreign Public Officials Act (CFPOA), intensifying the anti-corruption compliance demands for companies. While the Canadian government does not provide any formal requirements for what a compliance program should include, similarities with the FCPA and the UK Bribery Act provide some guidance companies can consider for implementing procedures to prevent corrupt acts.

#### 4.2.5 European Anti-Corruption Conventions<sup>10</sup>

The EU Anti-Corruption Report, published in February 2014, provided a clear picture of the situation regarding corruption in each Member State. Since then, the EU Anti-Corruption Report has served as the basis for dialogue with national authorities while also informing broader debates across Europe. All EU countries have designated a national contact point to facilitate information exchange on anti-corruption policy. Together with the anti-corruption experience-sharing program launched by the Commission in 2015, these efforts have encouraged national authorities to better implement laws and policies against corruption.

The COE<sup>11</sup> Criminal Law Convention aims to coordinate the criminalization of corrupt practices, provide complementary criminal law measures and improve cooperation for the prosecution of offences. It entered into force in 2002, and compliance is monitored by the

<sup>9</sup> Source; GAN Business Anti-Corruption Portal

<sup>10</sup> Source; GAN Business Anti-Corruption Portal

<sup>11</sup> COE: Council of Europe

Group of States against Corruption (GRECO).

The COE Civil Law Convention aims to define common international rules of civil law and corruption. Parties are required to compensate persons who have suffered damage as a result of corruption. It entered into force in 2003, and compliance is monitored by the Group of States against Corruption (GRECO).

The EU<sup>12</sup> Convention against Corruption aims to fight corruption involving EU or Member States' officials. Member States must ensure that passive or active corruption by officials is a criminal offence. Heads of businesses are to be declared criminally liable for active corruption by a person under their authority acting on behalf of the company.

The EU Convention on Financial Interests aims to create a common legal basis for the criminal protection of the EC's<sup>13</sup> financial interests. Fraud affecting expenditure and revenue must be punishable by criminal penalties.

#### 4.2.6 German Anti-Corruption Legislation<sup>14</sup>

German anti-corruption provisions are contained in the Law on Fighting Corruption, the Criminal Code and the Administrative Offences Act. The Criminal Code's provisions apply to persons, while companies face civil responsibility under the Administrative Offences Act. Corruption offenses committed abroad can be enforced in Germany.

The Anti-Corruption Law brings German criminal law in-line with international standards on commercial bribery. It expands the provisions on corruption in commercial practice contained in the Criminal Code and criminalizes active and passive bribery of employees/agents of a company even if it does not involve a distortion of competition. Implementing the so-called "employer model," undue advantages to an agent of a company are punishable if they occur without the consent of the company and in return for a breach of duty to that company. For the area of compliance, this means that the policies of companies have a determining influence on the culpability of the company's employees.

The Criminal Code (Strafgesetzbuch) makes it a criminal offense for a person to offer, pay or accept a bribe in domestic or foreign transactions, and it provides no exception for facilitation payments. Executive managers can be held responsible for offenses committed by company representatives where they actively support or fail to stop the offense. Persons convicted of bribery offenses face up to 10 years' imprisonment, a criminal fine and confiscation of revenue obtained as a result of the offense. The Criminal Code applies to offenses committed abroad and can be enforced in Germany. While the criminal provisions apply to persons, companies are potentially civilly responsible under the Administrative Offences Act.

<sup>12</sup> EU: European Union

<sup>13</sup> EC: European Community

<sup>14</sup> Source: GAN Business Anti-Corruption Portal

The Administrative Offences Act (*Ordnungswidrigkeitengesetz*) holds companies civilly responsible for corruption offenses committed on behalf of the company. The owners and management can be held responsible for intentionally or negligently omitting necessary supervisory measures for preventing criminal offenses. The maximum fine is EUR 10 million for each intentional criminal offense and EUR 5 million for each negligent criminal offense. The penalty can exceed those amounts without limitation to allow authorities to confiscate benefits obtained from offenses.

#### 4.2.7 United Kingdom Bribery Act

Under the United Kingdom Bribery Act 2010 (UKBA) it is unlawful to offer, give, request or accept a financial or any other advantage intending to induce or as a consequence, the improper performance of a relevant function or activity. It is furthermore unlawful to bribe a foreign official with an intention to influence the official in his/her capacity. The UKBA applies to all acts taking place in the UK or by a person with a close connection with the UK. Moreover, the UKBA applies to companies no matter where the company is incorporated as long as the company carries out its business or part of its business in the UK. Thus, it is irrelevant where the bribery took place. The only statutory defense is to have adequate procedures in place that are designed to prevent bribery.

#### 4.3 Attachments: Charitable Donation Request Form

The mission of Hexagon's donations and contributions will be to identify non-profit organizations that contribute to the enrichment and growth in the very communities in which we do business. We will look to provide assistance to support those organizations in which our employees direct their efforts to better our communities. We will identify and support (both with our time and financially) community projects which will improve morale, teamwork, health and satisfaction among our employees. Finally, we want to increase brand awareness for Hexagon to perpetuate a mutual benefit as well as its growth.

A. Requester information

Name or Organization	
Billing address	
City, State, Zip Code	
Contact Name	
Telephone	
Email	

What is your affiliation with the person or organization requesting the donation?	
How are you personally involved? (volunteer, donor, etc)	
Can the requested organization be classified as a non-profit organization?	
Has Hexagon contributed to the requesting organization in the past? Yes/ No, and if so describe	

B. Request information

Is this donation request in association with a particular event? (Yes / No)	
If so, give a description of the event (i.e., Name, Date, Time, Location, Number of	

People Attending, Event Purpose or Beneficiary, Amount hoped to be raised.  Brochures or an information packet are encouraged)	
What is your donation request?	
How will this donation be used?	
What is the deadline for receiving the donation?	
How will sponsors be promoted to the media?	

Deadline for inclusion in printed materials?	
Logos needed (include format)	
Please give additional comments, directions, or details we may need to know (including who or what in our community are affected and how)	

C. Request acknowledgement

The undersigned hereby certifies that a) the information in the application and supporting documents are correct to the best of his/her knowledge; and b) the application is compliant with Hexagon sponsor policy; and c) funds will be used for the projects outlined in the application and agreed to by both parties.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Hexagon Composites ASA  
[www.hexagongroup.com](http://www.hexagongroup.com)

