



Xovis Policy

## Anti-Bribery and Corruption

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# Table of Contents

- 1 Scope and Purpose..... 3**
- 1.1 Handling of Reports of Misconduct ..... 3
- 2 Anti-Corruption..... 4**
- 2.1 General ..... 4
- 2.2 Bribes..... 4
- 2.3 Trading in Influence ..... 5
- 2.4 Guidance on Gifts, Meals and Entertainment ..... 5
- 2.5 Engaging Business Partners ..... 6
- 2.6 Joint Ventures ..... 7
- 2.7 Acquisitions ..... 7
- 2.8 Working with Agents ..... 7
- 2.9 Social Projects, Donations and Scholarships ..... 8
- 3 Internal Procedures ..... 8**
- 3.1 Risk Assessments..... 8
- 3.2 Training..... 8
- 3.3 Monitoring, Review and Update ..... 9
- 3.4 Accurate Books and Record Keeping ..... 9
- 3.5 Entry into Force and Amendments ..... 9

# 1 Scope and Purpose

Xovis and its subsidiaries (hereinafter: Xovis or We) are committed to acting lawfully and with integrity in every aspect of its business.

The purpose of this Anti-Bribery and Corruption Policy (hereinafter: Policy) is to help secure that sustainability is promoted and that Xovis performs all its national and international business with the highest standards of ethics and does not participate in illegal or questionable activities of any kind.

This Policy applies to Xovis and shall be adhered to by all its employees and other providers for goods and services performing any task on Xovis' behalf (hereafter: Addressees or You).

The Policy does not purport to be all-inclusive, and it is expected that all Addressees act diligently and in good faith at all times to follow the high ethical standards to which Xovis is committed. This Policy is intended to provide guidance and instructions as to how to best deal with anti-corruption issues; it is not intended as an exhaustive list of all activities that are prohibited by the Policy.

This Policy supplements Xovis' Code of Conduct and Employee Guidelines.

Hence, if an Addressee is in doubt as to whether the action about to be conducted is within the Policy or not, the Addressee shall contact the CFO for clarification. The CFO is responsible for deciding whether to refer the matter to the Xovis Management Board.

Any relevant inquiry or clarification within the scope of this Policy shall be properly documented. It is the responsibility of the person(s) receiving the inquiry/report to properly document the matter and to take all actions necessary to assure proper treatment of such inquiry or report.

In order to further the objectives of the Policy, any contract or other arrangement entered other than in the regular course of business shall require the prior written approval of two members of the Xovis Management Board (C-level management).

## 1.1 Handling of Reports of Misconduct

As provided for in [POL-12-0245 Whistleblower](#), all Addressees are strongly encouraged to speak up if they shall become aware of bribery or other corrupt behaviour.

All potential/actual corruption discovered shall be reported immediately to a member of the Xovis Management Board or, if a member of the Xovis Management Board is affected, to the Chairman of the Board of Directors. Such reports, the handling thereof and conclusions made shall be properly documented.

The Management Board and the Board of Directors may initiate internal and/or external investigations to clarify relevant facts in relation to a report on possible corruption and may decide to notify findings to the relevant public authorities.

An Addressee's violation of anti-corruption laws and/or non-compliance with this policy may trigger disciplinary action, including the termination of employment.

## 2 Anti-Corruption

### 2.1 General

Xovis and every Addressee may be subject to many different anti-corruption laws. Our goal is to comply with all anti-corruption legislation in our home jurisdiction as well as in the jurisdictions of our operations.

### 2.2 Bribes

Xovis strictly prohibits bribery, which generally means any direct or indirect offering, giving, promising, authorizing, requesting or receiving (or authorizing someone to offer, give, or promise) of a financial or non-financial advantage or value, if such action's purpose is to obtain or retain a commercial advantage or shall or may lead to misuse of someone's position.

Bribery also means bribery as defined by the applicable law of the jurisdiction in which an Addressee resides or conducts business.

All the above mentioned direct or indirect contributions that may qualify a bribe are strictly prohibited.

Note that it may be irrelevant whether the bribe was accepted or not; merely offering the bribe is usually enough for an offence to be committed and to be held liable under anti-corruption laws. No actual transfer requires to be made.

Your opinion about the intention behind offering or giving an advantage is not necessarily relevant as the authorities will consider the facts objectively.

There are many benefits that may constitute bribery. Examples are cash, loans, gifts, entertainment, travel and donating to charity for improper reasons.

Below are some typical characteristics bribes may have:

- **Personal Enrichment**

Personal enrichment of decision makers (in public or private sector) or of someone within Xovis

- **Not Transparent**

Not offered or given in a transparent way

- **Influencing**

Given with the intent of influencing certain decisions; a tender, contract negotiation, a permit or licence from a public office, or the decision to enter into a joint venture

- **Hiding Money Trail**

Measures are taken to hide or camouflage the money trail

A bribe may fulfil all or some of the characteristics stated above. These characteristics shall, therefore, only serve as a non-exhaustive list of typical indicators. Addressees are encouraged

to carefully consider if a certain benefit could be, from a holistic standpoint, considered as a bribe, and to report if such benefit appears doubtful.

## 2.3 Trading in Influence

We prohibit the offering or giving of an improper advantage to a third party in exchange for such person trying to influence the conduct of someone else. If We ever engage lobbyists or agents to influence a public office or political decision, certain precautions must always be taken.

Facilitation payments or “grease payments” describe payments that are made to speed up decisions and approvals to which a company is entitled. Facilitation payments are typically made to a public official in order to secure or expedite routine, non-discretionary government actions to which a company is entitled. Typically, facilitation payments will only affect the timing of a decision and not the outcome. We prohibit facilitation payments. If You are ever requested by someone to make a facilitation payment, you should immediately report it to Your immediate superior and the CFO.

## 2.4 Guidance on Gifts, Meals and Entertainment

Xovis recognizes that the exchange of business courtesies, such as modest gifts with a value not more than CHF 100 or its equivalent in another currency (but in any case not in cash), meals and decent entertainment, is a common practice for various legitimate reasons, including to create goodwill, establish trust in a relationship, improve the image of a commercial organization, or better present products or services.

Such courtesies are allowed, provided that the value of the gift, meal or entertainment is reasonable considering the accepted business practices of the industry and is not intended to improperly influence the decisions of the person involved.

Some basic rules should be followed when giving a gift, or providing meals or entertainment:

- Do not give cash or any other cash equivalent.
- Gifts, meals, hospitality and entertainment should not be lavish, extravagant or out of line with country or industry norms.
- Gifts, meals, hospitality and entertainment should have a justifiable business purpose.
- Gifts, meals, hospitality and entertainment should be given openly, and Addressees should never attempt to hide such activities or the circumstances surrounding the activities from anyone.
- Addressees should be present at all meals, hospitality and entertainment activities and exercise good judgment in choosing hospitality and entertainment that does not jeopardize the reputation or interests of Xovis, its employees or customers.
- Xovis will pay for the meals and entertainment for only those invitees whose participation is directly related to and necessary for Xovis’ legitimate business purposes.
- Xovis will not provide money to the invitees to make their own meal or entertainment arrangements.

- Xovis will not pay nor reimburse travel expenses of a (potential) counterparty - local travel (e.g taxi services) can be paid for or reimbursed if related to legitimate business purposes.
- In all cases that entertainment, gifts or travel expenses are approved, such expenses required to be proven by receipts and accurately recorded in Xovis' books. Failing to show valid and bookable proof will result in Xovis refusing to pay or reimburse the claimed expense.

Providing gifts, meals or entertainment to officials should only be done with the utmost care so as to avoid the appearance that the activity was meant to obtain special treatment by someone in a position of public trust.

If You have any question or doubt about whether a gift, meal, entertainment or travel expense is appropriate, seek guidance from the CFO before You incur the expense.

### Receiving Gifts

If You receive a gift valued at more than CHF 100 (or its equivalent in another currency) that you have reason to believe is a consequence of Your relationship with Xovis or any of its associates, or become aware that You will be offered such a gift, the CFO shall be informed and the CFO shall decide whether accepting and, if applicable, keeping such gift might affect Your impartiality and therefore whether such gift may be accepted/kept or returned.

You shall ensure that any gifts or extra benefits that You receive from third parties as a consequence of Your relationship with Xovis (or any of its associates) does not cause You to be suspected of acting in contravention of this Policy, any other of Xovis' instructions, or applicable legal or regulatory requirements.

You are responsible for reporting any gifts or extra benefits received from third parties to the tax authorities and/or other public authorities in accordance with applicable laws and regulations at any time.

## 2.5 Engaging Business Partners

When buying services from or forming partnerships with other companies, Xovis may face liability for the violation of anti-corruption laws by others. We shall make all reasonable efforts to avoid illegal payments being made by a person associated or appearing to be associated with Xovis.

An associated person is typically someone who claims to perform services for or on behalf of Xovis. Examples are suppliers, subcontractors, vendors, consultants, agents, brokers, financial advisors and lawyers.

Business partners should only be engaged for legitimate business purposes and on commercially reasonable terms. Compensation must be both proportionate to the services performed and commercially justifiable. Various fee structures may increase the corruption risk, such as lump sum payments, success fees, prepayments and reimbursements of unspecified expenses incurred by the business partner.

Business partners must be selected carefully, and relevant information about the business partner should be identified. For example: Legal standing, reputation, experience, technical skills, track record and potential risk or liabilities.

An extended KYC (know your customer) check may be appropriate. If in doubt, please contact the CFO or another member of the Xovis Management Board as appropriate/necessary. A risk assessment should decide the level of diligence undertaken. Risk factors that typically are relevant when conducting the assessment are:

- Whether the third party is likely to interact with a public official on Our behalf;
- If the services are to be provided in a country reasonably known to have high corruption risk;
- If the business partner is new to the industry, with no proven track record; or
- If the business partner is a legal entity with difficulties to identify its owners and ultimate beneficial owners.

All contracts with business partners should be in writing. Best efforts will be made to include anti-corruption clauses or this Policy in Our contracts to ensure that Our business partners are obliged to comply with Our standards.

If any of our business partners are reasonably suspected of anti-corruption laws' violation in relation to work performed under Our contract, the business relationship shall be investigated by Xovis immediately and, if suspicion cannot be exhausted shortly, such contract shall be immediately terminated and further payments suspended.

## 2.6 Joint Ventures

Joint ventures with other companies raise certain corruption concerns. For example, we should keep in mind that joint ventures can be used to channel bribes without the knowledge of all the joint venture partners. For this reason, it is important to at least:

- Perform a risk-based due diligence on any potential joint venture partner;
- Implement measures in the joint venture company to ensure compliance with applicable anti-corruption laws; and
- Include clauses in joint venture agreements under which We can leave the joint venture in the event of misconduct by Our partners

## 2.7 Acquisitions

Before acquiring shares or assets in another company, the corruption risk in relation to that company should be addressed in the due diligence process.

## 2.8 Working with Agents

You may be called on to employ agents (e.g. consultants, sales representatives, custom brokers, contractors, distributors etc.) in international operations or business development, from time to time on Xovis' behalf.

It is commonly known that agents sometimes are or have been used to transfer bribes on behalf of the contractor to a third party. Hence, working with agents in general, but especially in countries perceived to have a higher risk of corruption, calls for appropriate additional diligence

and attention. If any of Our agents is found to be active in bribery payments, We will most likely be investigated in respect of violations of anti-corruption laws.

The retention of a business development agent or a lobbyist must always be approved in accordance with the Xovis Signature Regulations "[DOC-12-0034 Signature regulations](#)".

When engaging an agent, you should particularly (but not exclusively) ensure that:

- A written agreement is concluded;
- the fee is considered reasonable with the services rendered; and
- anti-corruption clauses are included in the contract.

## 2.9 Social Projects, Donations and Scholarships

Engaging with local communities and making social investments as a part of corporate social responsibility initiatives involves an element of risk. If a social project or donation disproportionately benefits a decision maker in either the public or the private sector, the payment might qualify as a violation of anti-corruption laws. To minimize any compliance risks, you are requested to:

- Develop objective criteria on plans to engage in social projects, making donations or scholarships, and to comply with such criteria;
- Ensure that a social project, donation or scholarship does not disproportionately benefit a public official (directly or indirectly) of relevant significance to Our operations; and
- Ensure that We only engage with persons and organizations capable of using the funds as intended by Xovis.

# 3 Internal Procedures

## 3.1 Risk Assessments

The CFO will perform an assessment of the corruption risks related to the operations of Xovis on an annual basis. Such assessment will include input from the Management Board regarding operations.

Examples of such risks are country risks, business partnership risks, and transaction risks.

## 3.2 Training

Relevant Xovis employees, and further Addressees as Xovis may see appropriate, must attend training on anti-corruption. The CFO organizes the trainings and oversees the training efforts.

The frequency and amount of training will be based on the results of the risk assessment.



### 3.3 Monitoring, Review and Update

The CFO monitors the effective implementation of the Policy and supplementary procedures within Xovis, including proper and applicable update of the Policy.

Compliance with the Policy and procedures is subject to internal control and supervision, and review of certain activities and expenses to identify possible non-compliance will be performed systematically and, on an ad-hoc basis.

### 3.4 Accurate Books and Record Keeping

Any transactions You are involved in must be recorded accurately and in reasonable detail in Our books and records. A failure to do so may constitute a criminal offence under applicable laws.

### 3.5 Entry into Force and Amendments

This Policy has been approved by the Board of Directors of Xovis on 18. June 2020 and enters into force on 26. August 2020. It replaces all previous policies and documentation dealing with the same matters.

Any matters that require interpretation of this Policy will be handled under its current version, regardless of when the conduct in question took place.

Xovis reserves the right to amend this Policy at any time and to inform Addressees of such changes in a suitable manner.