

Policy governing giving and receiving gifts, invitations, and other perquisites

Summary:

- In connection with perquisites, all employees of Trelleborg Sealing Solutions Germany GmbH must conduct themselves in such a manner as to ensure that no personal dependence, no obligations, or any appearance of influence being exerted upon or by business partners can arise.
- A 'perquisite' is regarded as anything that improves the position of the recipient in any manner and to which s/he has no claim.
- Only socially acceptable perquisites shall be accepted. Such shall be the case if the value of the gratuity is objectively unlikely to influence business decisions improperly or in a manner that jeopardizes fair competition.
- Trelleborg Sealing Solutions Germany GmbH proceeds from the assumption that a value limit of €35.00 is not likely to deleteriously affect fair competition.
- The perquisite must not under any circumstances be granted with the expectation of receiving any consideration, nor may it be granted prior to or immediately after a contract is awarded. Nor may the perquisite be repeatedly and contemporaneously awarded to the same person.
- Cash or cash-equivalent perquisites, regardless of the amount, are categorically prohibited.
- In dealing with public officials, particular caution is required, such that it shall be prohibited to receive from or give to public officials any gratuities of any kind and of any amount.

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1. Scope

This policy is directed towards employees in all Trelleborg Sealing Solutions Germany GmbH facilities. The objective shall be (i) to increase employee awareness of their responsibility to act with integrity, (ii) to avoid any criminal conduct, and (iii) to avoid any adverse consequences for Trelleborg Sealing Solutions Germany GmbH.

This policy specifies the Trelleborg Group's goals for ethical business conduct as reflected in the [Code of Conduct](#), the [Group Anti-Bribery and Corruption Policy](#), and the [Competition Law Policy](#). These policies shall apply without limitation.

2. Applicability

The policy shall encompass (i) the offer, promise, and grant of perquisites and (ii) the demand, acceptance of a promise, or acceptance of such a perquisite as consideration for an unfair advantage. The following statements apply in this respect both to acts that are proactive (extending an invitation or sending a gift) and those that are reactive (accepting hospitality or a gift) by employees of Trelleborg Sealing Solutions Germany GmbH.

A 'perquisite' shall be considered to be any gratuity which objectively puts the recipient in a tangibly or intangibly better position and to which s/he has no legal claim. 'Tangible benefits' are those having a financial value or intended to put the recipient in a financially better position. In addition to cash gratuities, such also includes in-kind benefits or cash-equivalent perquisites, e.g., gift certificates, complimentary tickets, or admission tickets, hospitality- or entertainment-based invitations, free services, discounts, invitations to informational or representation trips, the assumption of business travel expenses by a business partner to events hosted by the business partner or a third party (e.g., to trade fairs or conventions), commission payments, loans, or third-party beneficiary rights (see "Sponsorship" below), etc.

3. Social appropriateness

To the extent that gratuities fall within the bounds of what is socially appropriate, such shall be deemed permitted. These are insignificant perquisites that are part of general etiquette in accordance with common practice. The determining factor in this regard is that the gratuity is unlikely to adversely affect competition.

In assessing the appropriateness of a perquisite, you can ask yourself the following control questions:

- Is the gratuity compatible with the social status of the recipient and his or her position in the company?
- Is a visit to a certain restaurant or other location something special for you or your guest, or would you also choose it privately in any event?

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- Would you feel comfortable about telling your boss or your colleagues about the gratuity?
- How would you judge the matter if you were to read about it in the media?
- Put yourself in the position of the recipient of the gratuity: would your gratuity be likely to influence entrepreneurial decision-making and unfairly advantage the benefactor? Would you feel as though you were indebted to the benefactor?

4. Value limits

Since there is often a certain amount of latitude in interpreting the aforementioned guidelines, as a matter of principle a value limit of €35.00 shall apply both to accepting and granting perquisites. Any perquisites exceeding this amount must not be granted or accepted or must be returned to the party extending them with a reference to our policy.

5. Gifts and invitations for meals

- Gifts of cash are categorically prohibited.
- Cash-equivalent perquisites (e.g., full or partial payment of gift certificates, loans, or securities) are categorically prohibited.
- Must not be given with the expectation of something in exchange.
- Must not be given before or immediately after a contract is awarded.
- If several small gifts are made, then the aggregate value is decisive.
- Must be handed over in public, not secretly in private.
- Annual number of invitations or gifts for a business partner must not exceed a reasonable level (generally once or twice a year).

6. Events

- The event is related to business rather than pleasure.
- The focus is on the business issues and not the overall program.
- The guests pay for their own travel to the event/accommodation.
- Meals are provided as is reasonable and customary in business.
- No excessive, disproportionate gifts.

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- No private companions are invited.
- Invitations are sent to the business address.
- Not before or immediately after a contract is awarded.
- Invitations should include a reference to the fact that the recipient must comply with his or her own disclosure and authorization obligations, that the recipient must bear his or her own travel and hotel expenses, and that the participant declares that s/he is in agreement with the Trelleborg Compliance Policies.

7. Abroad

During business trips, you may occasionally be offered gratuities that exceed the aforementioned value limits but under circumstances in which refusing to accept such would be contrary to the country's values and customs. In this case, you are permitted to accept the gratuity (except in the case of cash). However, immediately after your return you will be obligated to inform the Compliance Officer and to hand over the gratuity to him or her. Such gratuities will then be donated or auctioned for charitable purposes.

8. Sponsorship

A classic sponsorship initiative as a gratuity for the purpose of promoting art, science and sports may, in an individual instance, constitute a breach of the fiduciary duty of the individuals acting for the company and may consequently be a criminal breach of trust.

The sponsorship may also meet the definition of criminal corruption if the perquisite is intended to accrue "only" to a third party, for example, if the awarding of a contract is contingent upon sponsorship of the local gallery in return.

In order to prevent this, the following criteria must be considered:

- lack of proximity to the corporate purpose: the more remote the object of the sponsorship from the company, the less latitude;
- unreasonable amount of the gratuity: the amount of the sponsorship funds must be reasonable with regard to the financial position of the company;
- lack of transparency within the company: the decision should be made jointly by the persons responsible, based on extensive information and after discussing various existing options. The decision must be comprehensibly documented. Documenting the decision-making process can be helpful in providing substantiated and comprehensible answers to any further inquiries from tax auditors or officials of other authorities.

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- Pursuit of improper motives: could personal motives of a corporate executive play a role in the decision concerning the sponsorship? Should the decision be made solely by the other decision-makers?

9. Public officials

All of the above actions are prohibited in relation to public officials; there shall be no exceptions to this rule.

A 'public official' is anyone who under German law (i) is a civil servant or judge, (ii) holds another public office, or (iii) is otherwise appointed in an authority or other agency or on its behalf to discharge public administrative duties, regardless of the type of organization chosen to discharge the duties.

10. Documentation

Decisions concerning specific invitations must be verifiably documented. Hospitality vouchers must be documented and settled in accordance with the applicable policies.

11. Sanctions

Any corrupt conduct may result in significant sanctions under criminal and administrative law against Trelleborg Sealing Solutions Germany GmbH as well as individual employees. Any violations of this policy, depending on the gravity of the contravention, may also result in consequences under labor law and civil law, up to and including a formal warning, termination without notice and, where applicable, damages claims against the employee. The relevant measures shall be decided by management jointly with the human resources department.

12. Consultation and review

In the event of any ambiguities, uncertainties or doubts, the Compliance Officer of Trelleborg Sealing Solutions Germany GmbH must be consulted.

The Compliance Officer shall be authorized at any time to verify compliance with the principles set forth in this policy.