

# **Anti-Bribery Compliance Policy Elma Group**

Version 2021  
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## 1. Introduction

The OECD (Organization for Economic Co-operation and Development), in its 2011 Guidelines for Multinational Enterprises, unmistakably states:

Bribery and corruption are damaging to democratic institutions and the governance of corporations. They discourage investment and distort international competitive conditions. In particular, the diversion of funds through corrupt practices undermines attempts by citizens to achieve economic, social, and environmental wealth, and it impedes efforts to reduce poverty. Enterprises have an important role to play in combating these practices.

## 2. Elma Group's Anti-Bribery Commitment

The Elma Group's business is clean, legally compliant business, by everybody, everywhere, every time.

The Elma Group's integrity and standing in the global market is vital to the protection and further development of our brand, for the sustainable growth of our business and in the best interest of us as Board members and employees and of our shareholders.

Our key business values are integrity, transparency, and responsibility (Code of Conduct and Ethics Elma Group). In standing up to these values, we, the Elma Board members and employees worldwide (**Elma Employees**) endorse this policy and will not bribe and will not accept bribes.

The Elma Group commits that intermediaries conducting services on its behalf will not bribe. Elma will run background checks, use written engagement letters and ask for compliance statements which confirm compliance with the law, demand detailed time sheets and only pay appropriate, industry standard remuneration in the homeland.

We also commit to make no facilitation payments and to extend and accept gifts and invitations only if they are non-cash, customary and of modest value.

## 3. Definitions

**Bribery** is offering, giving, supporting, accepting, requesting or authorizing (directly or indirectly) an undue advantage for the purpose of inducing or rewarding a person to perform contrary to duty to win a contract, in breach of an expectation that a person will act in good faith, impartially or with a position of trust, in order to obtain or retain business. An indirect advantage may also constitute a bribe, for example a benefit or advantage given or offered to an associate or a family member of a bribed person and/or channeled through an intermediary.

**Facilitation payments** are small bribes paid to facilitate or accelerate government action with a legal claim.

#### 4. Scope

This Policy is binding upon all Elma Employees worldwide. Its principles equally apply to all other persons associated with Elma Group, in particular business partners and intermediaries, if they perform services on behalf of Elma Group (for instance distributors, agents, advisors, suppliers etc.).

The Elma Group does not distinguish between dealing with public officials or employees of private sector business partners. Under all circumstances, bribery, facilitation payments and undue gifts and invitations are forbidden.

#### 5. Gifts/Hospitality

A small gift or token of esteem or gratitude is often a socially appropriate way for business people to display respect for each other and is – as a rule – illegal.

Elma Employees may make customary gifts and extend customary invitations if of modest value and if they do not exceed USD 150 per instance / per person and are limited in total to three per calendar year.

Gifts by Elma Employees must always be in-kind (i.e. non-cash and non-cash equivalent) and shall be given openly and transparently. Gifts must be posted and documented in Elma's books and records.

Elma Group keeps appropriate internal records and controls to verify the legitimate business reasons and the frequency of gifts and benefits.

#### 6. Donations / Sponsoring

The Elma Group does not make any donations to political parties or politicians and does not engage in political sponsoring. Both activities are prone to bribery.

The Elma Group may make charitable donations, subject to written request to and approval by the Group CFO (send application to [edwin.wild@elma.ch](mailto:edwin.wild@elma.ch)).

#### 7. Support, Reporting of Concerns, No Retaliation Commitment

If confronted with solicitation or extortion of bribes or requests for facilitation payments, we must immediately inform our superior or the Group CFO who will provide us with active compliance support in time. Also, if we are in doubt whether a well-intended commercial offer, gift or invitation may create the impression of being a bribe or an undue gift or invitation, we immediately discuss the offer or invitation with our superior or the Group CFO (send email to [edwin.wild@elma.ch](mailto:edwin.wild@elma.ch)).

If we have concerns regarding a business practice or business activities of our peers and/or our superiors etc., we immediately report our concerns to the Group CFO (send email to [edwin.wild@elma.ch](mailto:edwin.wild@elma.ch)).

Reports by Elma Employees who have reasonable belief that the information is true will not be retaliated against. The Group Board of Directors and the Group Management (GM) explicitly commit that all Elma Employees who report and have reasonable belief that the information is true will not suffer any disadvantage of any kind.

**8. Sanctions**

Corporations, for instance under the U.S. Foreign Corrupt Practices Act (**FCPA**), are subject to a fine of up to USD 2 million and individuals, including directors, , stockholders, employees, and agents are subject to fines of up to USD 50,000 and imprisonment for up to five years if they bribe official officers. For violations of the accounting provisions, the FCPA provides that corporations are subject to a fine of up to USD 25 million, while employees are subject to a fine of up to USD 5 million and imprisonment for up to 20 years.

Any intentional or negligent violation of this policy, including turning a blind eye on violations, will be sanctioned by the GM and will be communicated appropriately internally.

Elma Employees violating this policy will at the least be reprimanded and their salary and bonus could be cut. In severe cases, and subject to section 5 of the Code of Conduct and Ethics of Elma Group (Internal Leniency), they will be dismissed and sued for damages.

**9. Entry into force/Supplementation**

This policy has been approved by the Board of Directors on December 2, 2014 and entered into force on January 1, 2015. It was updated in 2021 and will be supplemented from time to time, based on periodic risk assessments.

The policy is available in English and German. If the German translation differs from the English original, the English version is binding.

Wetzikon/Switzerland, August 5, 2021


**Elma Electronic AG**



Martin Wipfli  
Chairman



Walter Häusermann  
Vice Chairman




Fred Ruegg  
Board Member



Peter Hotz  
Board Member



Thomas Herrmann  
CEO



Edwin Wild  
CFO

**Appendix to Elma Group Anti-Bribery Compliance Policy – DON'Ts****We, the Elma Employees worldwide, by way of example, DO NOT:**

- (a) offer, promise or make to the Head of Procurement of the Department of Defence of Atlantis a fee payment of US-Dollar 50,000 for his "private services as an expert advisor", to be paid to the account of Dragon Trust in Hong Kong.

The law: It is forbidden by criminal law (**bribery**) and subject to imprisonment up to 5 years, to offer, promise, or give any inappropriate monetary or other advantage, to a foreign public official, for that official or for a related third party, in order that the official carries out an act contrary to his duty or an act at his discretion in connection with his official activity.

- (b) retain a local IT and communications expert with "good relations" to the members of the parliamentary security commission as an advisor without signing (i) a written agreement which (ii) specifies the services, (iii) requires proper and detailed accounting for time spent and expenses made, (iv) provides for appropriate fees (v) and contains a clear and binding compliance statement.

The law: It is forbidden by criminal law (**bribery**) to commission third parties such as agents, consultants, representatives, distributors, consortia, contractors, suppliers and joint venture partners to provide inappropriate financial or other advantages to public officials, or other benefits to officials or related persons.

- (c) give, US-Dollar 200 in cash, hidden in the documents we are filing, to the customs officer, with the intention to secure standard customs clearance based on our existing complete and compliant customs documents.

The law: paying US-Dollar 200 as grease money (facilitation payment) to the official is in many countries treated as bribery and will be punished with imprisonment of 3 and more years and unlimited fines.

- (d) invite Mr. John Doe, Head of Division of state-owned Air, Sea and Land Defense Ltd., to a factory visit and pay for his and his wife's airline ticket, hotel reservation and organize a pleasure flight and a visit to the opera.

The law: It is a crime (**bribery**) to grant benefits that are not customary with the aim to inducing the recipient to act contrary to his duty or at his discretion in connection with his official or private activity in order to win or secure a business and can be punished with a prison sentence of up to five years.