

## Anti-Bribery Policy

**Zero tolerance: maxon Group does not tolerate any type of corruption or bribery.**

Maxon Group offers solution-based approaches, flexibility and speed in products belonging to high-precision drives. However, maxon Group does not allow for any flexibility and openness and has a zero tolerance when it comes to corruption. Each and every one of our employees is responsible for the good standing and reputation of maxon Group. Any failure or even the appearance of a failure may have a material adverse effect on the excellent reputation that maxon Group has successfully established over the past 60 years and exposes the company and other employees and executive bodies to the risk of sanctions under civil and criminal laws.

President of the Board of Directors  
maxon international ag

Chief Executive Officer  
maxon international ag

Karl Walter Braun

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1	Introduction.....	2
2	Purpose .....	2
3	Scope of Application.....	2
4	Process Ownership .....	2
5	Principles and Rules.....	2
5.1	Principles.....	2
5.2	Basic rule: prohibition of corruption and bribery .....	3
5.3	Benefits.....	3
5.4	Gifts, entertainment and other invitations.....	3
5.4.1	Offering of benefits ("Golden Rules").....	4
5.4.2	Acceptance of benefits .....	4
5.5	Donations and sponsorship, political assistance .....	5
5.6	Facilitation payments ("Bribe money").....	5
5.7	Kickbacks, rebates, commissions.....	5
5.8	Dealing with public officials.....	6
5.9	Business relations with third parties .....	6
5.10	Payments.....	6
5.11	Documentation .....	6
6	Organisation, Accountability, Responsibilities .....	7
6.1	Approval of exemptions and handling of dilemma situations .....	7
6.2	Duty to report in case of irregularities .....	7
6.3	Communication, information, training .....	7
6.4	Implementation, local law .....	7
7	Consequences in Case of Violations.....	8

## Anti-Bribery Policy

### 1 Introduction

Maxon Group is a worldwide leading provider of components and systems for high-precision drives. As a group of companies that is active on a world-wide level, maxon is obliged to comply with the anti-bribery and anti-corruption laws of the countries in which it does business (including the U.S. Foreign Corrupt Practices Act, FCPA, and the UK Bribery Act).

Maxon Group's top management has expressed its firm commitment against any type of corruption and bribery and has adopted an active and transparent approach to the topic. Any type of blackmail must be avoided at all costs and the company's independence must be ensured at all times.

### 2 Purpose

This Guideline should provide an orientation on how to comply with the applicable laws and regulations and on how to avoid

- ☐ acts of bribery and corruption;
- ☐ conflicts;
- ☐ high fines and prison sentences.

It provides more detailed information on maxon Group's codes of conduct (in particular in Art. 1.3 "Avoidance of corruption and bribery").

This Policy also ensures a common understanding of integrity in business transactions that will be shared by all companies of maxon Group and the employees of maxon. The commitment against corruption and this Policy will also protect the employees from mistakes and temptations in everyday business life. Employees can refer to this Policy at any time.

### 3 Scope of Application

This Policy applies to all companies of maxon Group all over the world and is a binding document for all employees and executive bodies of the Group.

### 4 Process Ownership

maxon Group's compliance officer is responsible for the contents of and for updating this policy. He/she will ensure that this Policy will be adapted regularly to new situations and will agree on the contents of such update with the Steering Committee Compliance.

### 5 Principles and Rules

#### 5.1 Principles

Maxon Group is a professional and reliable partner with social responsibility, exemplary in its conduct toward the environment, business partners and the public. Maxon Group is dedicated to open and honest communication. And maxon Group is committed to the following basic values:

- ☐ respect and fairness;
- ☐ encouraging and rewarding of performance;
- ☐ responsibility for comprehensive quality;
- ☐ careful use of resources.

None of these values tolerates or accepts corruption or bribery. If any possibility of a conflict arises, employees are responsible for informing their superiors at an early stage and in a transparent manner.

None of maxon Group's worldwide employees will tolerate any type of corruption or bribery when dealing with customers, suppliers, advisors, officers, public institutions, etc.

## Anti-Bribery Policy

Requests for informal payments are frequently made in connection with sales activities, in particular in regions and countries of the world with a high risk of corruption. Employees must be able to recognise these situations in order to be prepared. They will verify and supervise business partners in terms of their integrity. In difficult situations, they will point out that

- in accordance with the applicable laws of Switzerland, both natural persons and legal entities could face criminal prosecution with fines of up to five million Francs or imprisonment of up to five years even in foreign countries for bribing government officials;
- each maxon employee undertook to report cases of corruption when they signed the code of conduct;
- any and all companies are regularly audited by external auditing bodies and by the internal auditing department;
- any type of misconduct could result in a termination of the employment without notice; and
- that serious economic damage might be caused to maxon Group due to a damage to its reputation, which might finally endanger the products and services for our customers.

### 5.2 Basic rule: prohibition of corruption and bribery

Corruption means the abuse of a position of authority in an operation or organisation in order to gain a material or immaterial benefit to which no legal claim exists. Maxon Group has a zero tolerance policy against corrupt behaviour.

**It is prohibited to directly or indirectly offer, promise, grant or authorise any type of benefits in dealing with government officials, private persons, private and public companies, in order to gain, receive or safeguard any unreasonable or forbidden performance of tasks or other illegitimate benefits.** (Active bribery / offering of benefits).

**No employee must use their position or function to directly or indirectly request, have themselves promised or accept any benefits to which they are not entitled** (passive bribery / acceptance of benefits).

It is, in particular, prohibited to indirectly offer or accept benefits through intermediaries (advisors, agents, representatives, business partners, etc.) or to place the benefits in the "private" environment or to give them to other recipients (e.g. relatives or other related persons or companies). It is also prohibited to provide benefits a long time before new business opportunities arise with a view to their future execution.

Please avoid borderline cases as well. Even the appearance of corruption poses a high risk and misleading behaviour can sustainably damage maxon's reputation.

### 5.3 Benefits

**Benefits** can be benefits of any type, such as e.g. cash, cash equivalents, gifts, gift coupons, commissions, privileges, extraordinarily high rebates, cost absorption (household employees, mobile phone bill), invitations, travels, tours, excessive fees, loans, use of facilities, employment of a relative, holiday for the family, visits to a brothel, procurement of a lucrative main or secondary employment, future career prospective, memberships in clubs, favours, etc.

### 5.4 Gifts, entertainment and other invitations

Gifts, entertainment and invitations can be important for the development and maintenance of business relationships but should not be decisive for them. We have therefore imposed the restrictive preconditions described below, because many accusations of corruption arise in this context. Even more stringent provisions apply and particular restraint is required in dealing with government officials (see item 5.8).

A **gift** can be any type of benefit that is given as a token of appreciation, friendship or cooperation without expecting anything in return, including allowances on certain occasions (new year's, birthday, etc.). Gifts are allowed if they are in line with the "Golden Rules" set out below which is normally the case for smaller courtesies of a purely symbolic value (e.g. promotional gifts such as calendars, torches, blocks, mouse pads, gym bags, caps, pens or one to two bottles of non-luxurious wine).

**Entertainment** means meals and beverages and is allowed to a reasonable extent in the context of customary hospitality as long as it is in line with the "Golden Rules" set out below, if it focuses on a legitimate business purpose and if the counterparty would also make such an invitation. Offers for pompous entertainments are prohibited.

**Invitations** mean, for example, the participation in cultural or sports events or other events, such as concerts, trade fairs, games, races, etc. Such invitations should be avoided, if possible. Exemptions are possible to a reasonable extent in the context of normal hospitality, if people are staying for several days (for business reasons), if the invitation is clearly

## Anti-Bribery Policy

subordinate to the business purpose, if the invitations are in line with the “Golden Rules” set out below and if the process was approved in accordance with sec. 6.1.

### 5.4.1 Offering of benefits (“Golden Rules”)

Gifts, entertainment and invitations to entertainment offers are permitted if all of the criteria below (“Golden Rules”) are met:

- the benefit is not given in the form of cash, as cash given as a gift is prohibited under any circumstances (apart from normal, reasonable tips in restaurants, hotels and taxis which are customary in society);
- they are legitimate, reasonable values that cannot be perceived as “excessive” and are not offered frequently or on a regular basis;
- the benefit granted is customary in society, is in line with reasonable business practices and is connected with a legitimate business purpose, but is clearly subordinate to such purpose (not an “end in itself”);
- the benefit must neither be intended nor suited to obtain, receive or ensure an inappropriate or inadmissible performance of tasks or other illegitimate benefits in business dealings in return;
- no false expectations must be raised that the donation is given with the intention of influencing the result of a business relationship or that a payment might be “bribe money”;
- special care shall be taken if no business is planned in the near future that could be influenced by granting the benefit (e.g. upcoming tender or negotiations);
- the process does not violate applicable laws or guidelines of the recipient and does not involve any unethical or offensive contents;
- the process would not embarrass maxon if it became known to the public (e.g. be published in a newspaper);
- sec. 5.8 applies in addition, if a public official is involved.

A project failing to comply with all of the criteria set out above is probably a violation of this policy. If employees are still of the opinion that it is reasonable, they shall fully disclose the matter, discuss it with their superiors and, if necessary, with the Compliance Officer and have it approved in accordance with item 6.1.

It is generally prohibited to pay **accommodation and travel expenses**. Exemptions normally require a contractual agreement (e.g. part of a training programme), the “Golden Rules” set out above must be complied with and the process must be approved in accordance with clause 6.1.

It is prohibited to assume the costs for or provide gifts to **persons accompanying** the business partners who were invited (spouses, family members).

### 5.4.2 Acceptance of benefits

No gifts, favours or entertainment are required to do business with maxon Group. That would shed a bad light on the company.

Therefore, employees will not accept any gifts, entertainment, invitations or other direct or indirect benefits, unless they are in compliance with the “Golden Rules” (sec. 5.4.1). Refuse with a warm and friendly no thanks offers whose costs or size might suggest that they are an attempt to influence independent judgement.

Employees must never behave in a way that could put the counterparty in a situation that they feel in any way obligated to offer an undue advantage to be able to do or continue doing business with maxon.

If employees receive benefits in connection with the exercise of their profession, such will always belong to the employer. **Gifts** exceeding a minimum value shall be provided to the company, if possible (for example to share them fairly with the department or team).

If the benefits fail to clearly comply with all of the “Golden Rules” and if employees were unable to reject their acceptance (e.g. hotel accommodation was paid for and no information had been given in advance) they must be reported in accordance with sec. 6.2.

Please be particularly careful with private gifts if they are given, directly or indirectly, by a person with whom employees are also doing business.

## Anti-Bribery Policy

It is generally prohibited to have others pay for **accommodation and travel expenses**. Exemptions normally require a contractual agreement (e.g. part of a training programme), compliance must be ensured with the “Golden Rules” set out above and the process must be approved in accordance with sec. 6.1.

If the benefits fail to clearly comply with all of the “Golden Rules” but persons are still of the opinion that the acceptance of the benefit would be reasonable, they shall completely disclose the matter, discuss it with their superior and if necessary with the Compliance Officer and they shall have it approved in accordance with sec. 6.1.

### 5.5 Donations and sponsorship, political assistance

**Donations and sponsorship** comprise voluntary payments or other benefits (e.g. benefits in kind or services), for which the donator or sponsor does not receive any consideration. “Donations” are merely of an altruistic nature and have no business background (e.g. humanitarian aid in crisis regions). “Sponsorship” is connected with a certain advertising objective or other purposes (e.g. research and training).

Please ensure for donations, sponsorship or similar voluntary allowances that such are not made to conceal offenses such as bribery, corruption or other unjustified payments (e.g. offenses such as money laundering, fraud, embezzlement or financing of illegal activities). In addition, comply with the intra-company policies on these subjects (e.g. of Group Marketing) and with the country-specific applicable laws (e.g. provisions regarding disclosure, reporting and transparency).

Maxon Group does not, as a general rule, give any donations to nor does it sponsor parties or politicians.

Donations and sponsorship funds are released by the local CEO in accordance with the authorisation, a more simplified procedure applies to minor amounts which shall be authorised by the Marketing department. Donations and sponsorship funds must always be given in a transparent manner (recipient and the concrete use by the recipient (does not apply to minor amounts which are subject to the simplified procedure) must be documented and understandable). Please ensure that all types of donations and sponsorship funds can be justified towards the general public.

### 5.6 Facilitation payments (“Bribe money”)

Maxon’s business policy prohibits any type of payment to “bribe” or “accelerate” or “facilitate” processes – even if such payments were allowed or “absolutely customary” under local laws and/or in other legal systems. Payments shall be rejected even if such are strongly demanded or if disadvantages could arise for maxon Group if such were not made (e.g. waiting periods in customs clearance).

Payments may, however, be made in situations involving a **personal risk**, i.e. in case of risks for life, health or freedom of employees. The incident must be reported as soon as possible in accordance with sec. 6.2.

**Facilitation and preferential treatment payments**, also known as **bribe money**, mean mostly small unofficial payments that are normally paid to low-ranking government officials to trigger, ensure, accelerate or otherwise facilitate the performance of routine services or necessary services. These are normally services to which the company is entitled, for example customs clearance, passport control, inspection, approvals, licenses, visa, police protection, post and telephone service, electricity, water, etc.

However, official and publicly established and documented fees for service are allowed. In case of doubt, whether any payment is e.g. a (permissible) “express charge” or a (prohibited) facilitation payment, please ask for a formal receipt and written confirmation of the legality of that charge and report the procedure in accordance with sec. 6.2.

### 5.7 Kickbacks, rebates, commissions

It is prohibited to accept or grant kickbacks, or payments with a similar purpose (e.g. in form of rebates or commissions). maxon Group also does not contribute to tax fraud or obviously prohibited tax optimisation.

**Kickbacks** comprise all types of corruption in which services are billed that have not been rendered or in which other excessive invoices are prepared to ensure that a part of an excessive amount (e.g. in form of rebates, commission, fees, premiums, repayments, etc.) goes to a private person or a company account.

Legitimate agency commissions that are based on a business reason shall be documented in full and must be handled openly (also toward the person making the payment), inter alia, to exclude any type of involvement in offenses such as money laundering or other illegal transactions.

## Anti-Bribery Policy

### 5.8 Dealing with public officials

It is, as a general rule, prohibited to offer, promise or grant any type of gifts, entertainment, invitations, donations, sponsorship funds or to grant other benefits to public officials and persons in their environment.

Exemptions therefrom must be allowed both under applicable local laws and under the Foreign Corrupt Practices Act (USA) and the UK Bribery Act and must have been approved by the local Compliance Officer. Such must be documented in a complete and transparent manner and must be reported to the Group Compliance Officer. Any applicable legal standards must be complied with as well (duty to inform, transparency and reporting obligations).

**Public official** is a broad term and comprises not only elected or appointed holders of a legislative, administrative or judicative office, but also any and all other officers and employees of authorities, government bodies, state-owned or state-controlled companies, international organisations as well as candidates for political offices and persons rendering services for or acting on behalf of the bodies mentioned above.

### 5.9 Business relations with third parties

Corrupt behaviour of business partners working for maxon as service providers or intermediaries can be directly attributed to maxon Group as an offense (even if maxon has no knowledge thereof). Maxon is obliged to take appropriate measures to ensure that third parties conduct their businesses for maxon with integrity.

Maxon Group does not do business with third parties who are known for or who are suspected of being corrupt or for bribing or who are or could be corrupt in any other way or who might have an adverse effect on the reputation. Business relations must only be initiated and maintained if such are based on an understandable, legitimate business reason. Suppliers, resellers, joint venture partners, agents, contractors, advisors, representatives, facilitators, intermediaries, etc. must undertake to comply with these provisions by signing a written agreement.

Employees who intend to initiate or extend a business relation with third parties are obliged:

- to carefully clarify the integrity and background of the business partner (due diligence) depending on the degree of risk. Information given by third parties must be critically scrutinised and verified with information provided by reliable neutral sources as part of the general duty of care.
- to adequately document the risk analysis, due diligence and the business relationship in writing. It must be clearly agreed that maxon does not tolerate any violations of this Policy and that violations can result in an immediate termination of the business relationship.
- to request correct behaviour and to control it on a regular basis.

Suppliers must be assessed and approved in accordance with the applicable sourcing standards and guidelines (third party due diligence, background checks, etc.) before materials, components, products or services can be bought. The legal department must approve, in advance, any agreements with authorised persons and representatives who are authorised to enter into binding obligations for the maxon Group.

### 5.10 Payments

Each payment made by or on behalf of a company of maxon Group must fulfil the following criteria, inter alia:

- it must be based on a clear and demonstrable business reason, and it must be possible to allocate the payment to a concrete service or delivery.
- the amount must be reasonable.
- payments must be made directly to the service provider (contractual partner) (check account holder) and must not be made indirectly to other companies or persons (e.g. "private accounts" or unverified accounts in tax havens).
- payments must be processed transparently and be traceable and documented.

### 5.11 Documentation

Please document all business transactions carefully, completely and promptly and comply with any and all legal, regulatory and intra-company provisions.

## Anti-Bribery Policy

### 6 Organisation, Accountability, Responsibilities

The existing Compliance organisation is responsible for and implements this Policy (for current members of this organisation, please refer to [Annex 1](#)):

- **Board of Directors and management:** supervise and hold the overall responsibility for the compliance with the laws, in accordance with the laws and the internal rules.
- **Compliance Steering Committee:** supports and advises the management in the implementation of subjects in the field of compliance.
- **Group Compliance Officer:** coordinates compliance subjects within the maxon Group.
- **Local Compliance Officers:** make sure that this Policy is implemented in their Group company and ensure compliance. They are responsible that all employees know, understand and abide by the applicable provisions and that they fulfil the reporting tasks and duties.
- **Legal department:** the legal department of maxon Group advises in legal issues that are connected with this Policy, its implementation and enforcement.
- **Executive personnel:** act as role model and ensure that their colleagues know, understand and abide by the applicable provisions. They assess the behaviour in performance appraisals.

#### 6.1 Approval of exemptions and handling of dilemma situations

No exemptions from compliance apply, apart from emergency situations that pose a hazard to human life. Non-compliance with our policies can neither be justified by the requirements of customers and other business partners nor by pressure of time. Sales and profit maximisation are not more important than the compliance with our policies.

Please ask the management in uncertain and dilemma situations and have the procedure approved in advance. The duty to report defined in sec. 6.2 applies in case of irregularities.

Even if procedures have been approved in the past, this does not necessarily mean that the same procedure will be permitted in the future or at a different place or with other involved persons.

#### 6.2 Duty to report in case of irregularities

All employees are asked to raise any questions, doubts and uncertainties regarding this Policy, to express their concerns, to bring up ambiguities and possible risks for discussion.

**Each and every employee is obliged to immediately report any type of irregularity, such as cases of bribery, attempts of bribery (offering benefits, requesting benefits) or other processes that might involve corruption – even if they merely suspect them – in order to prevent damage to the company.** They are also obliged to make an immediate report if they have inadvertently accepted illegitimate gifts (sec. 5.4.2) or after having made facilitation payments in circumstances that involved a personal risk (sec. 5.6).

Please use the reporting channels as set out in the “inform maxon” procedure (to superiors, Local Compliance Officers, the Group Compliance Officer or members of the Compliance Steering Committees), including the option to make anonymous reports (letter box). See the M-Uf\_W40. The facts of the case shall be fully disclosed to the extent possible. The procedure will be treated confidentially in accordance with the applicable rules.

#### 6.3 Communication, information, training

Maxon will raise awareness for the existing anti-corruption policy by effective internal and external communication (e.g. Intranet). In addition, employees on all hierarchy levels will receive training on the subject of corruption and bribery according to their needs and according to the type of employee. The management will be responsible for imparting knowledge, know-how and for motivating the employees and for raising their awareness on the subject. The human resources department will coordinate the offer of training courses.

#### 6.4 Implementation, local law

Compliance with legal provisions is one of the most important principles of maxon Group's business policy. The management of the companies belonging to the maxon Group (or of the Local Compliance Officer) is responsible for implementing the present Policy as a **minimal standard** and for observing more stringent local laws, if necessary.

## Anti-Bribery Policy

Individual divisions may prepare more detailed policies (as regards gifts, invitations, reimbursement of travel expenses, participation in advertising and marketing activities, sponsoring, etc.), provided they are in line with this Policy and have been approved by the management of the affected divisions and group companies and the Compliance Steering Committee.

### 7 Consequences in Case of Violations

Violations against this Policy, procedures, laws or provisions committed by employees constitute a breach of duty towards the employer. Employees can be held liable for damage, criminal proceedings can be initiated and disciplinary measures can be taken against them, including termination of employment.

If third parties (e.g. maxon's business partners) violate this Policy, procedures, laws or provisions, maxon may terminate the business relationship with such third parties. Further measures remain reserved.

Please note [CORP-I-01308](#)