



FAIST Anlagenbau GmbH

Guide to “Business Integrity“

Content

- 1. Integrity**
- 2. Bribery**
- 3. Granting of an Advantage (Officials)**
- 4. Dealing with Customers**
- 5. Receipt of Gifts and Entertainment**
- 6. Conflict of Interest**
- 7. Measures / Anti-Corruption Officer / Ombudsman**

Preamble

As a company that operates around the globe, Faist has itself committed by issuing its Corporate Principles to observe high ethical standards in all of its business dealings.

Appropriate ethical behaviour in business dealing is essential to creating and maintaining a healthy, fair and just environment of value and benefit to all.

Faist will adhere to these standards, as well as to local, national and international laws and will oblige its employees to adhere to this conduct.

1. Business Integrity

1.1 Objectives and Topics

In adopting the present Guide to Integrity in Business Transactions (hereinafter referred to as 'Integrity Guide'), Faist is pursuing two objectives:

- establish a common understanding of business integrity to be observed by all Faist companies and employees;
- prevent the infringement of business integrity by defining unacceptable behaviour in business for all Faist companies and employees.

This Integrity Guide addresses the following topics:

- bribery;
- granting of an advantage (public officers);
- dealing with customers;
- receipt of gifts and entertainment;
- conflict of interest;
- measures.

1.2 Definition of Business Integrity

'**Business Integrity**' is defined as an ethical behaviour in business transactions that is in line with the Faist Corporate Principles and in compliance with local, national and international laws and with all relevant Faist provisions.

1.3 Responsibility of Employee and Employer

Business integrity is the responsibility of every Faist employee. Each employee is personally responsible for ensuring awareness and understanding of the relevant laws and provisions. Each employee is equally responsible for behaving in accordance with this Integrity Guide. If a question regarding the interpretation of the Integrity Guide arises, the employee concerned must contact his or her line manager.

Faist is committed to give its employees the appropriate information, education, guidance and support so as to enable them to observe this Integrity Guide. No employee of Faist will be disadvantaged if business is lost as a result of honouring Faist's standards on business integrity.

2. Bribery

2.1 Legislation to Eliminate Bribery

Bribery of domestic officials was established to be a criminal offense by most national laws a long time ago. In December 1997 the governments of 29 members of the Organization for Economic Cooperation and Development (OECD)¹ and 5 associated nations agreed on the text of the 'Convention on Combating Bribery of Foreign Public Officials in International Business Transactions' (hereinafter referred to as 'OECD Convention'). In this OECD Convention, the nations committed themselves to establish off-shore bribery as a criminal offense under their national laws. This convention came into force on 15 February 1999, and its provisions were thereafter transferred into national laws.

2.2 View and Undertaking of Faist

Faist rejects all forms of bribery (public, private, active and passive bribery as defined below). In addition to undermining the Group's reputation and business integrity, the solicitation, acceptance, offering or giving of a bribe establishes a criminal offense of the employee and the company involved under applicable national or international laws. In addition, such unacceptable behaviour may also give rise to civil lawsuits against the employee and the company involved.

¹ OECD: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.
Non-OECD: Argentina, Brazil, Bulgaria, Chile, and Slovak Republic

2.3 Definitions

Bribery constitutes a form of corruption and can be executed towards public officers or decision makers in the private sector and can be committed actively or passively. Bribes may take many forms, such as payments, lavish gifts or any other type of advantages.

Active bribery is understood as the promise to give or the giving of any payment or any other advantage, whether directly or through intermediaries, to someone holding a public office (**public bribery**) or to someone in business (**private bribery**) with the intention and expectation to obtain an unlawful benefit in return for the bribe.

Passive bribery is understood as acceptance of a payment or any other advantage, whether directly or through intermediaries, from someone in return for which the person who has accepted the bribe favours the giver in an unlawful way.

2.4 Don'ts and Dos

Do not offer a private bribe!

Do not offer a public bribe!



You may offer a gift to an employee of a private company after finalisation of a business transaction.



3. Granting of an Advantage (Officials)

3.1 Assessment of National Laws

It is a criminal offense to offer an advantage to a German official; it is also a criminal offense for a German official to accept any advantage.

Some national laws equally prohibit the granting and the acceptance of an advantage by someone holding a public office. In some places, however, it is an accepted custom to show some form of appreciation, whereby particular services are acknowledged by tips. While bribes are prohibited, such payments in a restrained fashion are acceptable even under the strict rules applied by Faist.

3.2 View and Undertaking of Faist

The granting of an advantage to someone holding a public office is acceptable for a Faist employee, provided all of the following requirements are met: it is not prohibited by applicable national laws, it is appropriate and in conformity with local custom, it is properly entered into the company's books and the payment is made in the country in which the services are rendered.

3.3 Definitions

Advantage is understood as a material benefit of any kind, such as payment or any other consideration.

Granting of an advantage is understood as the promise to give or the giving of any advantage, whether directly or through intermediaries, to someone holding a public office. The giver does not obtain any unlawful advantage in return for the granting of the advantage.

3.4 Don'ts and Dos

Do not grant an advantage if

- it is prohibited by the applicable national laws;
- it is not in conformity with local custom;
- it is not appropriate;
- it is not registered in the company's books;
- it is not made in the country in which the services are rendered.



You may grant an advantage if

- it is allowed by the applicable national laws;
- it is in conformity with local custom;
- it is appropriate;
- it is properly registered in the company's books;
- it is made in the country in which the services are rendered.



4. Dealing with Customers

4.1 Principles

All transactions by Faist with its customers are made on the basis of quality, service, competitive price and suitability. Faist seeks to establish mutually beneficial, long-term relationships with its business partners based on these principles. Faist deals fairly with all business partners based on the quality of products and services.

Faist does not, and no employee may, directly or indirectly, offer or give any form of illegal rebate, illegal kickback or any other illegal 'under-the-table' payment, or other similar improper payment, gift or favor to business partners or their representatives. Conversely, no employee shall, directly or indirectly, request any form of illegal rebate, illegal kickback or any other illegal 'under-the-table' payment, or other similar improper payment, gift or favor from any customers.

4.2 Rules for Dealing with Customers

Regarding relationships with customers, the following principles apply:

- Faist employees who regularly deal with customers must know and comply with all relevant laws and regulations governing relations with customers.
- Employees engaged in government contract work must also know and abide by the specific laws and provisions covering relations with government agencies.
- Faist employees will give no gifts to customers, except items that fit the legal, normal and customary patterns of Faist sales efforts for a particular market. Costs for such gifts are subject to approval by local Faist Management.
- Entertainment, not otherwise prohibited as set forth herein, of any customer must comply with regular business practices. The place and type of entertainment and the money spent must be reasonable, appropriate and adequately documented in conformance with Faist expense reimbursement requirements.

4.3 Don'ts and Dos

Do not give an illegal rebate.

Do not offer an illegal kickback payment.

Do not make any illegal 'under-the-table' payment.

Do not give an improper gift to a customer.

Do not offer an illegal or improper favour to a customer.



You may give rebates according to the rebate policy of Faist.

You may give small and appropriate gifts to a customer.

You may offer entertainment (e.g. invitation to sport events) to a customer to an appropriate extent.



5. Receipt of Gifts and Entertainment

5.1 General

Even when gifts and entertainment are exchanged out of the purest motives of personal or professional friendship, they can be misunderstood. For example, a gift or entertainment can appear to be an attempt to influence an employee to direct Faist business to a particular third party. To avoid both the reality and the appearance of improper relations with third parties or potential third parties, as well as to maintain your personal and your company's independence, the following principles apply to the acceptance of gifts by Faist employees:

5.2 Gifts

Employees shall not solicit gifts, or any other personal advantage of any kind, from any current or potential third parties of Faist. Gifts include not only merchandise but all kinds of advantages. Employees may only accept any unsolicited gift provided the following conditions are met: Employees may accept unsolicited non-monetary gifts, provided they do not go beyond common courtesy and accepted local business practices. The value of any gift must not raise any question of an obligation on the part of the recipient. The acceptance of any gift that does not meet said conditions must be rejected. If in doubt as to the appropriateness of accepting an unsolicited gift, the employee concerned must solicit the view of his or her line manager and act according to the decision of that person.

5.3 Entertainment

Employees may not encourage or solicit entertainment from any current or potential third party of Faist. Employees may accept unsolicited entertainment, provided all of the following requirements are met: the entertainment occurs infrequently and arises out of the ordinary course of business, it involves reasonable, not lavish, expenditures and it takes place in settings that are reasonable, appropriate and fitting to Faist employees, their hosts and the business at hand

5.4 Don'ts and Dos

Do not solicit gifts from any third party.

Do not solicit a personal advantage of any kind from any third party.



You may accept unsolicited non-monetary gifts that do not go beyond common courtesy and accepted local business practices.

You may accept unsolicited gifts that do not raise any question of an obligation on your part.



Do not encourage or solicit entertainment from any third party.



You may accept unsolicited entertainment if it occurs infrequently and arises out of the ordinary course of business.

You may accept unsolicited entertainment that involves reasonable, not lavish, expenditures



6. Conflict of Interest

6.1 Principles

Employees of Faist should avoid situations where their personal interest could conflict with, or even appear to conflict with, the interests of Faist.

A conflict of interest exists when a Faist employee uses his or her position within Faist for personal gain apart from the normal rewards of employment and compensation by Faist. A conflict of interest also exists when an employee's personal interests are inconsistent with those of Faist and create conflicting loyalties. Such conflicting loyalties could cause an employee to give preference to personal interests in situations where responsibilities to Faist should come first.

If a conflict of interest arises between private interests and those of Faist, the employee concerned shall immediately inform his/her line manager or the anti-corruption officer so that an appropriate solution can be reached.

6.2 Don'ts and Dos

Avoid situations where your personal interest conflicts with the interests of Faist.



Inform your line manager if an unsolicited conflict of interest arises.



7. Measures / Anti-Corruption Officer / Ombudsman

7.1 Measures and Sanctions in Case of Corruption

Detected offence against the Guide to „Business Integrity“ will be punished. Depending on the gravity, different measures and penalties will be applied. These can be general labour legislation measures including notice to quit for cause.

Faist will also claim for damages in order to get compensation for the incurred damage.

Grave offences will entail criminal proceedings.

7.2 Anti-Corruption Officer

In case of conflict of interest or well-grounded suspicious facts, contact the anti-corruption officer. He is the right contact person and responsible for the internal co-ordination of the corruption topic.

He is assigned to the Administration Department of Faist company.

The anti-corruption officer advises employees, business partners and third parties on questions relevant to corruption issues.

The anti-corruption officer is:

Mr Andreas Merk, phone 08282/8880-236

7.3 Ombudsman

Ombudsmen have a duty of secrecy and will not reveal the name of a person reporting suspected cases of corruption to Third parties.

They check information for conclusiveness and credibility.

Ombudsmen pass on reported suspects to the anti-corruption officer, if the check substantiates the suspicious facts.

In internal investigations, Ombudsmen act as contact persons between investigators and the person reporting suspected cases of corruption.

Ombudsman is:

Mr Reiner Egner, phone 08282/8880-127

Entry into Force

This Integrity Guide was adopted by the Management on July 28, 2008 and entered into force the same day.

A handwritten signature in blue ink, appearing to read "W. Braun".

Wilhelm BRAUN
Managing Director