

# Anti - Corruption Manual

## ANTI-CORRUPTION MANUAL

### 1. HANSEN PROTECTION'S ANTI-CORRUPTION POLICY

Corruption prevents economic development, distorts competition and undermines both the rule of law and the democratic process. Local and international law applicable to Hansen Protection business activities around the world prohibit Hansen Protection and its employees from engaging in corruption, such as the bribery of public and/or private sector officials. Extraterritorial application of several anti-corruption regimes implies that it is not sufficient to observe local law when dealing abroad.

In accordance with well-established principles as described in Hansen Protection's Code of Conduct, Hansen Protection is committed to operate in accordance with responsible, ethical and sound business principles and comply with all applicable laws and regulations. Hansen Protection specifically does not permit or tolerate engagement in any form of corruption. This manual explains and elaborates the content and implications of Hansen Protection's policy in relation to anti-corruption.

No employee should assume that it is in Hansen Protection's interest to engage in any form of corrupt activity. Absolute compliance with Hansen Protection's anti-corruption policy is required by all Hansen Protection employees at all times, and no Hansen Protection employee may authorize another Hansen Protection employee to deviate from this policy. Any failure to comply with applicable anti-corruption law will be considered a serious breach of the employee's obligations towards Hansen Protection and will most likely result in termination of the employment or other applicable sanctions.

### 2. ABOUT THIS MANUAL

This manual provides an overview of Hansen Protection's anti-corruption policies, and explains the basic legal and ethical requirements that Hansen Protection employees shall follow to avoid corrupt practices throughout their business activities for Hansen Protection. The policies discussed in this manual are mandatory for all Hansen Protection employees. It is also a requirement that Hansen Protection's departments take reasonable steps under the circumstances to ensure that Hansen Protection's independent business partners, including suppliers, do not engage in corruption or other illegal or unethical activities in relation to their business with Hansen Protection.

### 3. ANTI-CORRUPTION GUIDANCE AND REPORTING

On a day-to-day basis, you should seek guidance and direct anti-corruption inquiries from your immediate superior. You may also contact the Hansen Protection Management if you have any questions about this manual or anti-corruption law.

Non-compliance with anti-corruption laws and Hansen Protection's anti-corruption policies is a serious breach of Hansen Protection's business principles and may cause great damage to Hansen Protection. If you have reason to believe that employees or agents representing any Hansen Protection company have engaged in, or intend to engage in, corrupt activities this should be duly reported.

### 4. WHAT IS CORRUPTION?

#### 4.1 Legal Background

International conventions and agreements of the United Nations, the World Bank, the IMF, the WTO, the Organization of American States, the OECD and the EU oblige the participating countries to implement comprehensive national legislation against corruption. Corruption is restricted in most countries around the world. It is important to be aware that Norwegian and other national anti-corruption legislation applies regardless of in which country the actions have been carried out and regardless of whether corruption is lawful according to that country's national law. In practice, citizens and companies may be prosecuted according to national anti-corruption legislation for acts committed anywhere in the world. Notably the United States Government enforces extraterritorial jurisdiction to prosecute corrupt activities anywhere in the world according to the U.S. Foreign Corrupt Practices Act (the FCPA).

# Anti - Corruption Manual

## 4.2 Corruption Defined

While the specifics of anti-corruption law may be different in different parts of the world, most anti-corruption laws share a common core definition of "corruption".

For the purpose of Hansen Protection's anti-corruption policy, corruption will include any attempt to directly or indirectly (through middlemen):

- Give or offer someone an improper advantage based on position, assignment or duty (active corruption), or
- Demand, receive or accept an offer to receive an improper advantage based on position, assignment or duty (passive corruption).

**Examples of corruption:** Bribing an official to obtain a contract is corruption. Corruption may also include activities such as paying for illegitimate or unlawful travel or entertainment expenses for officials or their family members; agreeing to purchase goods or services from officials or their friends or family members in return for favours; or donating to a charity linked to an official in expectation of a benefit from that official.

- 4.2.1 **Improper advantage:** Whether an advantage or benefit is improper will depend on concrete judgment, where several factors may be relevant such as: the nature of the benefit, the position of the recipient, the relationship between the parties and the specific context in which the benefit is being provided. Any benefit provided in return for the misuse of the receiver's position, task or assignment will generally be considered an improper advantage. Please note that an advantage can be improper even if no benefit is provided in return. An improper advantage will usually be a benefit in the form of cash or objects with economic value, but may also include benefits without economic value. Personal benefits provided in relation to the recipient's position, task or assignment, such as services carried out for free or with a discount, invitations to otherwise private organizations or clubs may easily be regarded as improper. Benefits in exchange for, or benefits that constitute, a breach of statutory or contractual obligations, such as the receipt or delivery of proprietary information, will by its nature easily be considered an improper advantage in regard to anti-corruption law. Benefits exchanged in relation to discretionary acts and lack of transparency associated with granting of a benefit should be red flags for a potential improper advantage.
- 4.2.2 **Facilitation payments:** Facilitation payments are payments to secure the performance of routine governmental action ordinarily performed by lower level officials, such as issuing non-discretionary permits, processing visas and other papers, providing utility service, loading and unloading cargo, or protecting perishable products or commodities from spoilage. Routine governmental action does not include decisions where the government official has legal discretion on how he or she will act on the issue at hand. In accordance with applicable anti-corruption legislation, Hansen Protection has a general policy against facilitation payments. This is further described in section 5.5 below.
- 4.2.3 **Trading in influence:** Trading in influence is an offer of an improper advantage to, or acceptance to receive an offer by, someone who has the ability to influence the performance of a position, assignment or duty. Trading in influence is a particular offence similar to corruption and falls within Hansen Protection's anti-corruption policy.
- 4.2.4 **Public and private sector payments prohibited:** The Norwegian Penal Code prohibits corrupt payments to any person, including public officials and executives, employees or agents of private sector companies. Hansen Protection's anti-corruption policy prohibits corrupt activities of any type, whether those activities are related to a position, assignment or duty within public or private sector.
- 4.2.5 **Liability for corrupt acts of affiliates or representatives:** Corruption may also include payments made by subsidiaries, affiliates, agents or others acting on behalf of the parent Company or as part of the parent Company.

# Anti - Corruption Manual

4.2.6 **Accurate accounting:** *Anti-corruption law requires that Hansen Protection have in place effective internal accounting controls and maintain books and records that accurately reflect the companies' transactions. All entities within the Group must correctly account for income and expenditures and must ensure that payments are not recorded falsely in Company books. Misreporting or omitting a subsidiary's or affiliates bribes in the parent Company's consolidated accounts may in itself be a breach of anti-corruption law (notably the FCPA) by the parent Company. (This does not mean that accurately reporting bribes will somehow make them legal, but that the misreporting of such payments in an effort to conceal them is itself a violation.)*

## 4.3 Consequences of Non-Compliance

The potential consequences of non-compliance with applicable anti-corruption laws are substantial:

- Companies have been subjected to significant fines, penalties and government-ordered compliance costs as a result of corruption allegations.
- Companies may be prohibited from doing business in certain countries or industries, with certain governments or from participating in public tenders.
- Companies may be liable for damages claims by third parties disadvantaged by the corrupt activity, such as competitors who may have lost business.
- Corruption often results in negative publicity which can do tremendous damage to a Company's reputation and business relationships.
- The mere decision by relevant authorities to initiate investigation of a suspected anti-corruption infringement may cause serious harm to the involved party's reputation and business interests and trigger substantial costs.
- Individuals involved in corrupt activities may be subject to criminal sanctions, including fines, imprisonment, and in certain jurisdictions even corporal punishment.

## 5. RELATIONS WITH CUSTOMERS, SUPPLIERS AND PUBLIC OFFICIALS

### 5.1 General Principles

- Hansen Protection shall act in an open, ethical and lawful manner towards all potential or existing customers, suppliers, and public officials.
- Hansen Protection shall always perform its contractual obligations in accordance with the terms of the relevant contract unless deviations are approved by appropriate line management personnel and properly documented in Company records. Payments in cash or similar, or payments to unconfirmed recipients or account numbers shall not be accepted.
- All sales and marketing activities, coverage of third parties' expenses, payments and contract performance on behalf of Hansen Protection shall be open and transparent internally and vis-à-vis Hansen Protection's counterparties. Any invitation for individuals to participate in events or activities fully or partly paid by Hansen Protection shall be addressed to the appropriate management level within the relevant legal or public entity. Special caution must be exercised in relation to public officials and in situations where the recipient at the time is in a particular position to make a discretionary decision or act that could be beneficial to Hansen Protection. Hansen Protection employees must consult their supervisor if there is any doubt whether particular marketing or service activities conform to Hansen Protection's or relevant third party's anti-corruption policies.
- All expenses shall be approved under standard Company procedures and documented and recorded in accordance with appropriate accounting standards.
- Under no circumstances may any Hansen Protection employee receive or provide any kind of improper benefit from or to a supplier or business partner, including personal rebates, kickbacks, undocumented discounts, etc.
- Hansen Protection companies must take reasonable steps under the circumstances to ensure that Hansen Protection's business partners, including suppliers, do not engage in corrupt activities or other illegal or unethical activities. Hansen Protection employees who

# Anti - Corruption Manual

suspect that independent business partners are involved in corrupt activities must report and seek advice in the matter according to the procedures referred to in section 3; Anti-Corruption Guidance and Reporting.

## 5.2 Travel and Entertainment Expenses

- Payment for reasonable and bona fide expenditures for seminars, travel, meals, lodging and entertainment for potential or existing customers may be permissible if those expenditures are directly related to the promotion, demonstration or explanation of Hansen Protection's products or services or the performance of a contract. The principles in section 5.1 above apply correspondingly for Hansen Protection payment for the participants' expenses. In addition, such payments:
  - Must be directly related to bona fide marketing, business development or contract performance expenses.
  - May not be provided, or appear to be provided, in expectation of or return for any benefit.
  - Must be reasonable in amount, and appropriate under the circumstances.
  - Must be verified through reasonably detailed documentation of actual expenses, including receipts and explanations of the payments' purposes and the legitimate business reasons for them.
  - Must be in line with the receiver's Company policy and provided in an open and transparent manner.
- Payment of travel, meal, lodging or entertainment expenses for family members or friends of government or business officials is not permitted.

## 5.3 Gifts

- While exchanging gifts with customers, suppliers and business partners is a customary part of international business, under no circumstances should Hansen Protection offer gifts of cash. Gifts other than cash may be permitted, however, they:
  - Must be of minimal economic value, infrequent in nature and clearly appropriate under the circumstances.
  - Must not be given in a context or a way where there are reasons to suspect that the recipient will keep such gift or benefit hidden from his or her superiors, e.g. gifts should be addressed to the recipient's working address at the relevant legal or public entity.
  - Must not be provided in return for any benefit.

## 5.4 Political Contributions

- Political contributions, such as contributions to the political campaign or fundraising efforts of public officials in support of their ability to run for office may be viewed differently under the laws of the countries in which Hansen Protection does business. Additionally, such contributions may have a potential impact on Hansen Protection's corporate image. Such contributions must therefore be approved in advance by Hansen Protection. Requests for approval should be directed to Hansen Protection Administration. If such contributions are approved, they must be provided in an open and transparent manner in compliance with all applicable laws and accounting principles.

## 5.5 Facilitation Payments

- "Facilitation payments", as further explained in chapter 4 above, are payments to secure the performance of routine governmental action and do not include discretionary decisions or acts. In accordance with applicable anti-corruption legislation, Hansen Protection has a general policy against facilitation payments and does not justify facilitation payments merely because it is customary or profitable in the circumstances.

# Anti - Corruption Manual

- In certain extortion-like situations facilitation payments may be necessary and justifiable in order to avoid a significant harm to Hansen Protection's values or legitimate business interests. This will have to be assessed in the specific circumstances at hand, but will generally not include any of the following:
  - Payments of significant amounts.
  - Payments made repeatedly to the same officials, or
  - Payments of a type and nature which is treated as illegal by local law enforcement authorities.
- Facilitation payments should be distinguished from situations of true extortion, e.g. a direct threat of an unlawful tortious act vis-à-vis Hansen Protection's property in a situation that Hansen Protection could not foresee and where Hansen Protection is not able "to turn its back and walk away from the situation". Further, necessary payments to ensure personal health or safety are generally legitimate as an act of necessity.
- Any payments related to facilitation payments, or extortion shall, when possible, be properly authorized in advance through line management in consultation with Hansen Protection's Administration and shall always be reported to Hansen Protection's Administration and documented and recorded in accordance with normal Company accounting and control procedures.