



ANTI-CORRUPTION GUIDELINE

1. OBJECTIVE

Corruption in the legal sense is the abuse of a position of trust in order to gain a material or immaterial advantage to which one has no legally justified claim. It damages the reputation of a company and its employees considerably and can have serious consequences such as criminal prosecution and financial losses. The shipping company (hereinafter referred to as the company) rejects corrupt and illegal conduct of every kind. It expects from its management personnel and employees that they do not engage in any corrupt practices. With this guideline, the employees of the company should have an aid to help them assess situations that could prove relevant to corruption in order to avoid violations of the law and the therewith associated negative consequences (unless expressed to the contrary in this code, words in the singular include the plural and vice versa and any gender includes the other genders).

2. SCOPE

This Guideline applies to the company Reederei F. Laeisz G.m.b.H.

3. DEFINITIONS

3.1 CORRUPTION

Corruption is normally defined as “Exploiting a position of power for one’s own advantage“. There are no legal definitions of terms. This guideline deals with corruption in the sense of illegal payments to employees and agents of commercial businesses (suppliers, shipyards) as well as public officials domestically and abroad. An act designated as corruption can fulfil the conditions of a criminal nature such as bribery or acceptance of bribes, granting and accepting illicit favours, embezzlement, nepotism, fraud and deceit. Corrupt conduct often leads to very severe sanctions against the persons involved, especially:

- Imprisonment
- Fines
- Personal claims to compensation for damages
- Consequences under labour law.

3.2 ADVANTAGE

An advantage is defined as any act that improves the beneficiary’s position in an objectively measurable way, financially, legally or even merely on a personal level and to which this person has no right. This applies for material and immaterial benefits. This also includes advantages obtained for a third party.

Examples of personal advantages:

- Payment of money
- Advantages that are equivalent to money, i.e. coupons
- Use rights to assets (e.g. vehicles)
- Material objects as gifts
- Invitations (e.g. to a meal or to events)
- Inclusion in travel
- Assumption of the beneficiary’s obligations.



4. PRINCIPLES

4.1 PAYMENTS TO PUBLIC OFFICIALS AND EMPLOYEES OF BUSINESS PARTNERS (ACTIVE CORRUPTION)

Offering, promising or granting employees or representatives of domestic or foreign companies and/or a domestic or foreign public official illicit personal advantages, either directly or indirectly, in order to gain a counter-consideration is prohibited. This prohibition also encompasses personal advantages that benefit third parties, such as spouses, relatives, friends and other persons or organisations that are close to the employees and representatives of other companies. Even indirectly granting advantages through consultants, intermediaries or agents are prohibited, if the purpose is to gain a business advantage or a counter-consideration. The prohibition also applies if corruption is common in the country and is not viewed as being unethical by the local business partners.

In business interactions, this is in meetings, on concluding contracts and other daily interactions with business partners, such persons are always dealing with each other. In certain situations it is entirely appropriate and can even be a sign of courtesy and consideration to invite the business partner to share a meal or to come to an event or even to give a small gift. However advantages may never be granted secretly. Invitations and gifts must always be sent to the official business address of the recipient, under no circumstances to the private address. To clearly define the line between allowed conduct and critical circumstances, the following principles were developed for handling invitations, gifts and other advantages.

4.1.1 MONEY AND MONEY EQUIVALENT ADVANTAGES

Payments of money or advantages equivalent to money are prohibited. This does not just encompass payments in cash, but also coupons and other personal advantages that are useable as money. The value of the payment is irrelevant.

Example:

Coupons, e.g. petrol coupons, restaurant coupons, are prohibited.

4.1.2 RIGHTS TO USE

Use rights can also constitute impermissible advantages, since it makes no difference whether the recipient is granted use of an object or the costs for the use of the object are assumed. Grants of use rights that are of low value and only extended for the sake of courtesy are not encompassed.

Example:

Use of a yacht for the weekend by an employee or customer would be prohibited.

Lending a mobile telephone to a customer's employee for the purpose of making two short phone calls would be permissible.

4.1.3 MATERIAL GIFTS

Giving gifts to employees and representatives of other companies is only permissible if their value is appropriate and the concrete conditions do not engender the impression, that a certain action by the recipient of the gift is expected as a counter-consideration. Whether this is the case will be determined based on the concrete conditions of the specific case, especially:

- Value of the gift
- Position of the recipient inside his/her company
- Social appropriateness.

Example:

Giving a business partner a valuable watch is prohibited.

Sending a Laeisz-calendar or Laeisz book to a business partner is permissible.



4.1.4 INVITATIONS

Invitations encompass a variety of situations and can range from a visit to a restaurant after a joint consultation to an invitation to a multi-day event with the assumption of travel costs. Event invitations from employees and representatives of other companies can mean a personal advantage for the guest and are only permissible if the impression is not created that the invitation was only extended in order to obtain an illicit advantage.

Before an invitation is extended or a gift is granted, one must make sure that the recipient can accept the invitation or the gift legitimately.

Examples:

An invitation to a potential customer and his wife to an evening concert in New York with an expensive dinner and then an over-night stay in a 5-star hotel is prohibited.

Permissible would be an invitation to a business partner to a lunch at a decent restaurant in order to discuss the quality of the current collaboration.

It would be permissible to invite a member of the board of directors or a managing director or management executive of a business partner to a home game of the local football club in the category of "Business-Seats". There may be no connection between the invitation and an expected counter-consideration.

4.1.5 ASSUMPTION OF OBLIGATIONS

Advantages can also be granted indirectly if an existing obligation of a business partner is assumed.

4.2. FACILITATION PAYMENTS

In facilitation payments it is dealt with payments to public officials in order to accelerate certain legal proceedings. Facilitation payments are strictly prohibited in Germany and may not be granted under any circumstances.

In some countries payments to public office holders at the level of work are common through which the facilitation of official acts to which there is a real legal right (e.g. customs clearance for legally imported replacement parts or release of a ship from a hold placed on it by national port authorities). These so-called facilitation payments are in most cases illegal and should basically not be paid. Such payments may in exceptional cases only be made after prior approval by the responsible Compliance Officer.

4.3 ACCEPTANCE OF PAYMENTS BY EMPLOYEES (PASSIVE CORRUPTION)

Every employee is prohibited from demanding personal advantages from business partners, getting them promised and accepting them and providing or promising a counter-consideration for them.

This prohibition also encompasses personal advantages that benefit third parties, such as spouses, relatives, friends and other persons or organisations, who are close to the employee. An influence on commercial decisions by private interests is not tolerated.

In business interactions i.e. consultations, on the conclusion of contracts and in other daily interactions with business partners, such people are always dealing with each other. In certain situations it is entirely appropriate and can even be a sign of courtesy and consideration to invite the business partner to share a meal or to come to an event or even to give a small gift.

To clearly define the line between allowed conduct and critical circumstances, the following principles were developed for handling invitations, gifts and other advantages.

4.3.1 MONEY AND ADVANTAGES EQUIVALENT TO MONEY

Employees are prohibited from accepting money or advantages that are equivalent to money. This does not only include payments in case but also coupons and personal advantages that can be used equivalent to money. The value of the payment is irrelevant.



Examples:

The acceptance of petrol station coupons and restaurant coupons is prohibited.

4.3.2 GRANT OF USE RIGHTS

Even granting use rights can constitute an impermissible advantage, since it makes no difference whether the recipient is given access and use to an item or just the costs for the use of an item are assumed. Low value grants of use rights that only proceed out of courtesy are not encompassed.

Examples:

Getting a delivery vehicle from a supplier for use in moving from one residence to another is prohibited.

Getting picked up from the airport by a driver working for a business partner using a company car, being taken to a consultation, and then brought back to the airport would be acceptable.

4.3.3 MATERIAL GIFTS

Acceptance of high-value gifts is prohibited. If a business partner would like to give such a gift, it must be politely refused making reference to the anti-corruption guideline. If this would lead in rare cases to disturbances in the business relationship (if e.g. the business partner has a long-term business relationship and wants to honour it with a very valuable gift, without expecting any counter-consideration from the recipient), this gift can be accepted and passed on to the responsible managing director. The director will decide whether the gift is to be sent back to the business partner with a polite cover letter, or if it will be used in some other way, e.g. given away in a raffle or stored in the company archives. This decision must be documented. The acceptance of symbolic or low-value gifts is permitted if this does not lead to any illicit favour of the business partner and does not engender any appearance of possible illicit favour. Symbolic and/or low-value gifts generally include usual and customary donations that only have a symbolic meaning or low value.

General conventional nature is determined by the current business practice. In this matter possible national particularities must be taken into account. These would include especially advertising give-aways and occasional gifts given on a specific event (e.g. Christmas or another holiday, birthday or anniversary). If there is some doubt about the low value or the symbolic nature of a gift, the responsible superior in the company should be informed. If a business partner sends even a low-value gift to the private address of an employee or attempts to give it in secret, this gift must be sent back or refused making reference to the Anti-corruption Guideline. The superior in the company must be informed.

Examples:

For example, accepting an LCD-television or a case of champagne is prohibited.

Low-value advertising articles such as a company calendar, ink pens, writing pads, coffee mugs, etc. would be acceptable. Also permissible would be the acceptance of a bouquet of flowers or a bottle of wine on the occasion of a birthday or service anniversary.

4.3.4 INVITATIONS

Invitations to business meals and events can constitute an impermissible influence on employees, if the inviting party awakens a sense of expecting a counter-consideration. On the other hand invitations are within a certain limit a normal and expected part of business life. Since however an invitation can also constitute a personal advantage, acceptance is only permitted under the following preconditions.

Invitations must be issued in an appropriate form usual for business. Employees may not accept invitations if they go beyond a socially adequate amount and are likely to compromise objectivity in the business relationships. In the case of invitations the respective country-specific particularities must be taken into consideration. Accepting such an invitation is only permissible if they are in no way associated with any kind of favour, or could engender the impression that there was some preferential influence.



Invitations are to be addressed to the company and may not be sent to the private addresses. On some occasions it is also usual for the customer to invite a companion. The specific superior in the company must be informed of the invitation and the event in advance. If employees intend to bring their spouses, children or other dependents to the event, this requires the prior consent of the superior in the company. An invitation to sporting or cultural events or other events without any business relevance may only be accepted with the prior consent of the superior in the company. The assumption of the travel and lodging costs by the host is only permissible with the prior consent of the superior in the company. The decision about the matter must be documented.

Examples:

Accepting an invitation to attend a concert sent from a service organisation would be prohibited if a decision concerning contracting the company is pending.

Accepting a customer's invitation to a usual business dinner would be permissible.

4.3.5 ACCEPTING OBLIGATIONS

Advantages can also be directly granted in that an existing obligation of an employee of a business partner is assumed. With respect to the acceptance of obligations, the same rules apply as for the acceptance of money or advantages equivalent to money.

4.4 DONATIONS

4.4.1 PROHIBITIONS

Donations to individual persons, for-profit organisations as well as organisations and institutions that are not pursuing generally recognised and accepted philanthropic goals are not allowed.

4.4.2 PERMISSIBLE DONATIONS

Donations to recognised, philanthropic and accepted goals (for education and science, art and culture, and for social and humanitarian projects) are permissible, to the extent that the precise recipient (including the route of payment), intended use and reason for the donation are documented and thereby made transparent. Donations must be approved by executive management.

4.5 SPONSORING

Any sponsoring must be transparent and will only be granted on the basis of written contracts that serve a serious commercial purpose. It must be in appropriate proportion to the counter-value, which the event organiser offers. The sponsoring of events for the staff by a business partners is prohibited. All sponsoring must be approved by the executive management.

5. INFORMATIONAL OBLIGATIONS IN SUSPICIOUS CASES

The employees must act according to applicable law and the Anti-corruption Guideline. Each employee is obligated in suspicious cases or in the case of legal doubts with respect to the presence of corruption or business criminality, to seek advice and assistance from his superior in the company or the compliance officer.

6. MEASURES AND SANCTIONS

An illegal, corrupt action can bring severe consequences both for the company as well as for the employees of the company. Breaches of the Anti-corruption Guideline will not be tolerated and can bring consequences under labour law, criminal law and civil law.

7. ENTRY INTO FORCE

This version of the Anti-corruption Guideline enters into force on January 01, 2015.