

# ANTI- FRAUD MANUAL

**Adapteo.**

# Anti-fraud Manual

Approved by the Adapteo General Management Team  
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# 1 Definition of the framework

## 1.1 Background and purpose

This Anti-Fraud Manual is in place to prevent and detect fraud and corruption within Adapteo Group. Adapteo has zero tolerance towards all forms of fraud, bribery and corruption. Adapteo's values and ethical norms are set out in Adapteo's Code of Conduct including the above-mentioned areas. This Anti-Fraud Manual provides further detail than the Code of Conduct regarding e.g. the roles and responsibility on fraud investigations.

## 1.2 Applicability

The principles defined in this document must be followed by all Adapteo Group subsidiary companies, business units, management and employees taking into consideration local legislations and separate instructions relating to fraud, bribery and corruption. This Manual supplements Adapteo's Operating Principles, Code of Conduct, group policies, guidelines and detailed instructions. Contract employees of Adapteo Group must also be aware of and shall follow the principles defined in this document as applicable.

## 1.3 Status and relationship to other policies

This document has been approved by the GMT and is a part of Adapteo Group policies. Other guidelines relating to fraud, bribery and corruption within Adapteo Group shall be in line with the content of this document.

## 1.4 Ownership and changes to the manual

The CFO is the owner of this document and oversees that other policies and other operational guidelines are aligned with this document and shall propose any necessary changes to them.

Any changes to this document shall be approved by the GMT.

## 1.5 Effectiveness

This document is effective as of 29 June 2019 until further notice.

# 2 Basic principles

The manual applies to all director and employees ('Employees') worldwide as well as stakeholders, consultants, suppliers, vendors, contractors and/or any other parties with business relationship with Adapteo ('Associates').

Adapteo does not tolerate any level of fraud or corruption. All claims of fraud, bribery and corruption (anonymous or otherwise) will be investigated thoroughly without regard to the suspected person's position, length of service or relationship with Adapteo. Any breaches of the Operating Principles, Code of Conduct or other corporate guidelines and policies will be investigated. Based on the findings, appropriate corrective measures will be taken which may include further training or disciplinary action, including dismissal, liability for damages and criminal responsibility.

# 3 Fraud

Fraud is defined as an intentional act of deceit to obtain an unjust or illegal advantage. It can be the intentional use of deceit to deprive Adapteo's money, property or legal rights. Fraud is also defined as the intentional violation of laws and regulations, Adapteo's values, Operating Principles, Code of Conduct and policies.

The term "Fraud" includes, but is not limited to, following categories:

- Improper use of company assets is considered theft of company assets (e.g. monetary assets, cash, supplies, equipment or other resources) when they are used by employees or by third parties for their own benefit. The theft of company assets may take several forms including embezzlement, which means that the employee has had the right to hold the assets but he/she then uses them for unintended purposes;
- IPR violation refers to illegal use of Adapteo's intellectual property rights and the illegal acquisition and/or disclosure of Adapteo's business secrets or confidential company information. Adapteo employees

must not profit, nor assist others to profit, from opportunities that are discovered through the use of corporate information or position;

- Anti-competition violations. Competition laws regulate communication and cooperation with stakeholders such as competitors, customers, distributors and other third parties. Among other things, it is prohibited for Adapteo to participate in any agreements or procedures which are intended to limit competition between Adapteo and its competitors. Abuse of dominant position is forbidden;
- Accounting fraud is the altering of the accounts or presenting them in a way, which does not reflect the real value or financial activities at Adapteo;
- Money Laundering refers to actions intended to legitimize proceeds of crime by disguising their true origin. A proceed of crime is any financial benefit obtained from criminal activity;
- The violation of all other principles mentioned in the Adapteo Operating Principles and Code of Conduct.

## 4 Corruption and bribery as a concept

Corruption is a specific form of fraud, which can be defined as the unlawful use of power or position to gain financial or other advantage for oneself, for another party or for Adapteo. All Adapteo Group employees and business associates must comply with applicable national and international laws, which prohibit bribery and corruption. This applies everywhere and everyone Adapteo conducts business with. Corruption includes but is not limited to following categories.

### 4.1 Bribery and blackmail

The most common form of corruption is bribery, which is defined as direct or indirect offering, promising, giving or accepting of any undue monetary or other advantage in order to obtain or retain a business or other improper advantage. Adapteo employees do not pay, offer to pay, authorize or accept illegal and improper payments or bribes in order to obtain or maintain business, or for any other reason. The prohibition applies whether the payment is made or received directly or through a third party.

Blackmail is the demanding of a bribe openly or indirectly.

### 4.2 Political contributions

Company funds may not be used for making contributions to any certain political party or organisation, or candidate or holder of any state or local government position, even if donations would be permitted by local laws. All contributions to these bodies need to be formally granted in advance by the CFO.

### 4.3 Business gifts and hospitality

In the course of business, Adapteo accepts the use of customary gifts and hospitality but forbids costly expenditure. Customary and appropriate sales promotion products and product samples are not considered as gifts by nature, but as part of Adapteo's business.

- Business gifts of reasonable value may be given and received as a courtesy, as token of regard or esteem, or to promote goodwill. Such gifts must be small in relation to the recipient's salary and, should generally bear company's logo or trademark;
- Gifts will only be approved if they are provided on a gift giving occasion and are directly related to a business purpose, provided there is no obligation on either side;
- Gifts or other items of value may never be given to influence any act or decision of a person in his or her official capacity;
- Gifts and hospitality related to travelling must be pre-approved;
- Hospitality may be provided and received as a part of business relationship in the ordinary course of business. Hospitality should always be in line with the relationship;
- Cash payments of any kind to a third party are strictly prohibited.

### 4.4 Facilitation payments

The use of facilitation payments is prohibited. Facilitation payments are payments made to a public official, political party or government official to speed up or secure a process or to perform a duty, which the payer would be legally entitled to without making the payment such as obtaining permits, licenses, or other official documents or processing governmental papers such as visas and work orders.

## 5 Engagement with third parties

Contracting with a third party requires that a genuine and significant business reason or mandatory legal reason exists for the business relationship. Any third party contracting with Adapteo must fulfil the company's high quality and ethical standards.

Adapteo may become liable for third parties' illegal or unethical activities e.g. giving or receiving bribes on behalf of Adapteo. It is essential that adequate and risk based due diligence procedures are performed for Third Parties.

### 5.1 Third party selection process

Several potential third parties should be identified to ensure the highest possible quality of services and competitiveness of the third party. Adapteo prefers using established and well-known third parties which are known to have high product quality and be reliable in delivery.

Exceptions due to special reasons should be approved by a member of Adapteo Group Management Team. Adapteo's employees who have a personal, family or other than Adapteo's business interest in a third party selection process cannot be involved in the selection or tendering process.

### 5.2 Due Diligence

Due diligence is an investigation of a business or person prior to signing a contract, or an act with a certain standard of care.

The appropriate level of due diligence to prevent fraud, bribery and corruption vary depending on risks arising from the particular relationship, country and the type of services to be provided by the third party.

Potential third parties are provided with questions e.g. about the company's capabilities, financial standing and its directors and owners. In addition, third parties must provide Adapteo with supporting documentation as requested. Prospective third parties must confirm in writing they will undertake to comply with applicable laws including anti-bribery and anti-corruption laws and Adapteo's Operating Principles and Code of Conduct.

Persons handling identification documentation and information provided by third parties must practice caution when evaluating the accuracy and authenticity of such documentation. When in doubt the CFO should be consulted. Possible concerns raised by due diligence procedures must be communicated to one's supervisor.

### 5.3 Approval and Agreement

When decisions on new third part relationships are made, standards set in Adapteo Group Code of Conduct and Procurement Policy Instruction must be considered. All agreements must contain anti-bribery and anti-corruption clauses and bind third parties to comply with Code of Conduct and applicable laws.

The scope of services, deliverables and fees should be written in detail in the agreements. Special attention must be paid to terms of compensation. Compensations must always be limited to an appropriate remuneration for legitimate services.

Relationships with third parties are re-evaluated as needed e.g. when third party expands its business to a high-risk country. As indications of circumstances or activities are notified which contradict information provided by the third party, supervisor should be contacted for guidance.

### 5.4 Documentation

All contracts with third parties must be in writing, filed and recorded along with documentation of the due diligence process.

## 6 Roles and responsibilities

### 6.1 Group Management Team ("GMT")

This Manual is approved by the Adapteo GMT. The GMT conducts oversight of the Manual.

### 6.2 Group Management Team

The Group Management Team is responsible for ensuring that the Manual is communicated with all employees. They have the right for interpreting the Manual and the responsibility to ensure that it is

evaluated on a regular basis and updated as needed. The Group Management Team will oversee relevant anti-fraud and anti-corruption training for employees.

The Group Management Team are responsible for ensuring adequate and appropriate internal control has been organized and related control environment exists and functions effectively. The Group Management Team has the right to carry out audits in different units based on his/her judgement of the need.

### **6.3 Operating Company Management**

The primary responsibility for fraud prevention in daily business is with respective management in all operating units. Each member of the respective management Adapteo team needs to be familiar with the types of fraud that might occur within his/her area of responsibility and be alert for any indication of irregularity.

The respective management is responsible for ensuring that an adequate system of internal controls exists within areas of responsibility and that such controls operate effectively. Furthermore, the respective management is responsible for ensuring that fraud risks have been identified within areas of responsibility and each risk has been assessed for likelihood and potential impact.

### **6.4 Employees**

All employees are responsible for the prevention of fraud and informing the company about suspected fraud and corruption. Everyone is required to:

- Understand and comply with legislation, regulations and Operating Principles in relation to his/hers duties, and to follow the Code of Conduct, this Fraud Manual and other Group Policies in relation to his/hers duties;
- Act with high moral and honesty, especially when dealing with third parties;
- Act with propriety in the use of Adapteo's resources and the handling and use of Adapteo's funds in all instances. This includes handling of cash and/or payment systems, receipts, and dealing with suppliers;
- Be alert to the possibility that unusual events or transactions could be indicators of fraud. An employee who discovers or suspects fraudulent activity must immediately inform his/her manager, OpCo Management or submit a report through the whistleblowing channel.

### **6.5 The ownership of fraud investigations**

The Group Internal Audit Function together with Chief Financial Officer (CFO) has the ownership of investigation in Adapteo Group. The Group Internal Audit Function is responsible for the administration, continuous monitoring and assessment of this Manual. The Group Internal Audit Function has the primary responsibility for the investigation of all suspected fraudulent acts as defined in this Manual. The Group Internal Audit Function together with CFO will handle and make decisions on all suspected acts that are reported or come out otherwise.

The investigation procedure has been defined in the Fraud Investigation Procedure. If the investigation substantiates that fraudulent activities have occurred, the Group Internal Audit Function will issue reports to the President and CEO, CFO and appropriate designated personnel. The Group Internal Audit Function, if appropriate, will report to the Audit Committee of the Board of Directors.

The Group Internal Audit Function together with CFO will make the decision whether to refer the case to an external service provider for independent investigation. After the independent investigation, the President and CEO and appropriate senior management will make the decision on the necessary actions.

Within the limits of national and international legislation, the Group Internal Audit Function, or a person authorized by it, will have free and unrestricted access to all Adapteo records and premises, whether owned or rented. Further, they have the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises, without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

## **7 Incident reporting channels**

If the employee feels he/she cannot discuss the matter with anyone in the company management, he/she may report observations and concerns anonymously through the whistleblowing channel. It is available to all employees and associates.

## **7.1 Confidentiality**

All information relating to the investigation will be treated with confidentiality, and only those who have a legitimate purpose to participate in the investigation will have access to related information and findings. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputation of suspected persons who subsequently are found innocent. Confidentiality will also safeguard Adapteo's reputation, protect company from potential civil liability and ensure that persons suspicions will not face retaliation.

Any employee or business unit who suspects a violation of this Anti-Fraud Manual is not allowed to attempt to personally conduct investigation or interviews relating to the suspected activities.

All inquiries concerning the activity under investigation shall be to the Adapteo Group's Internal Audit. No information concerning the status of an ongoing investigation will be given out.

## **8 Training, communication and reporting**

The Manual shall be communicated to all personnel on a regular basis, through periodic reminders and regular training. Training shall be conducted by management or external subject matter experts. Training shall be mandatory for all and recorded in writing.

## **9 Disciplinary actions**

The CFO will determine further action to be taken based on findings of the investigation. Adapteo will not take disciplinary action towards persons under suspicion before investigation has been completed. Human Resources will assist the CFO as an expert within this role.

Any Adapteo employee who purposefully violates the law, Operating Principles, Code of Conduct or policies and guidelines, or authorizes or allows subordinate to do so, may be subject to disciplinary action, including termination of employment, liability for damages and criminal liability.

Any associate who is found guilty of unlawful or unethical behavior may face negative consequences including termination of business relationship, liability of damages and criminal liability.

## **10 Other misconduct**

This Manual is applied to prevention, detection and investigation of fraud and non-compliance with Adapteo's Operating Principles and Code of Conduct. Actions due to other unethical or inappropriate behavior, which influences the company or personnel will be decided and carried out by Human Resources.

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