

POLICY ON ANTI-CORRUPTION, POLITICAL CONTRIBUTIONS, SPONSORING AND CHARITY

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EXECUTIVE SUMMARY

WHY THIS POLICY?

We want to do business and remain the customer's choice based upon legitimate business considerations. "Honesty and reliability" mean that each of us acts with integrity and avoids even the appearance of corrupt behavior.

NB: The term 'corruption' in this policy includes bribery which is also illegal.

WHAT WE EXPECT FROM YOU

- We do not allow any form of corruption, anywhere, anytime: In practice conducting business with integrity means that you never give or accept a bribe. You never engage in corrupting others in any way. Neither directly nor indirectly through a third party.
- Facilitating payments are a form of corruption and are forbidden except in case of imminent personal health, safety, or security threat, such as being detained along the side of a deserted road: In circumstances where there is an imminent threat to you or your colleague's personal health or safety that can only be remedied by a facilitating payment, the facilitating payment must be reported to your superior and finance director (controller) as soon as it is safe to do so.
- Payments must be properly and transparently recorded in accordance with ASM company standards: No payments may be made 'off the books', into secret accounts or so-called numbered accounts.
- Payments must be made to or received in a bank account directly in the name of the intended recipient.
- Payments to suppliers based on approved invoices and the corresponding negotiated rates must be reasonable, defensible and not inflated to (potentially) allow for illegal payments.
- Usually government officials and politically exposed persons are not permitted to accept anything of value. This is to avoid corruption or the impression of corruption. Please refer to our Gifts and Entertainment Protocol for further guidance.
- Political contributions, sponsoring and charity: ASM does not make any political contributions, even when permitted by law.

CORRUPTION AND FACILITATING PAYMENTS: DIFFERENCES AND COMMONALITIES

Corruption	Facilitating payments
*giving / offering something of value	*paying a small sum
*to a private individual or government official	*to a government official
*to obtain an unfair advantage or to influence a decision	*to obtain something you are already entitled to
ALWAYS FORBIDDEN (whether you corrupt someone or are being corrupted)	ONLY PERMITTED IF TO AVOID AN IMMINENT THREAT TO A PERSON'S HEALTH, SAFETY OR SECURITY

FULL POLICY APPLIES

Please note that this executive summary only provides highlights; the full Policy is the binding text.

FULL POLICY

1. WHY THIS POLICY?

At ASM we want to conduct business in a responsible, legal manner and with integrity. We expect the same from all parties we conduct business with. We want to do business and remain the customer's first choice based upon legitimate business considerations and not because of past or future personal gain. "Honesty and reliability" mean that each of us acts with integrity and adheres to anti-corruption laws wherever in the world we conduct our business.

Corruption is a criminal offence that can have far-reaching consequences for all those involved. Moreover, corruption can result in serious damage to ASM and its excellent reputation. The suspicion or appearance of corruption alone can result in the integrity of ASM and its staff being questioned. Customers and other stakeholders may lose trust in us which can result in a loss of business, claims, imprisonment and other adverse consequences.

This policy gives guidance on what constitutes corruption and how to avoid it. A policy cannot describe all circumstances and rules, so every ASM employee is obliged to use his or her common sense and professional judgement at all times.

NB: The term 'corruption' in this policy includes bribery which is also illegal.

2. WHAT WE EXPECT FROM YOU

2.1 WHAT DO WE MEAN BY CORRUPTION?

By corruption we mean someone providing or promising:

- anything of value;
- to any person;
- with the aim of (improperly) influencing a decision.

Anything of value

'Anything of value' is a very broad term and can include cash, vouchers, tickets, accommodation, entertainment, kickbacks, products or services (like a personal loan, or a service against a reduced rate, which is not available to all others). It can even include a personal favour to the recipient, his family or friends, or to a charity or political party.

Q. A customer calls you to ask if you can arrange for an internship for his daughter at your ASM group company. He implies that in exchange for the internship place, ASM will have "a much better chance of success" in the current tender. Is this a case of corruption?

A. Yes, it is. Offering the internship to the daughter represents something of value to the customer. As a result, the decision-making process is no longer objective. It makes no difference whether ASM wins the contract or not. What matters is the intention to influence the decision-making process.

Any person

Corruption can occur both in the public sector (government officials) and in the private sector. Furthermore, it includes not only improper advantages offered to decision makers directly, but also advantages offered to someone who may influence the decision maker(s) or the decision-making process.

Aim to (improperly) receive a favourable treatment, an unfair advantage or influence a decision

The ultimate goal of the party offering a bribe is to somehow gain an unfair advantage. This requires the recipient of the bribe to violate his/her position of trust.

Q. Can you give some examples of violating a ‘position of trust’?

A. A government official has promised to serve the needs of all citizens without being influenced by possible personal benefits. By accepting (or even asking for) personal benefits this position of trust is violated.

Another example is a purchasing manager who – explicitly or implicitly - promised loyalty to serve the needs of his/her employer without being influenced by personal benefits from potential suppliers. Similarly, an employee of ASM must only serve ASM in an objective manner without being influenced by possible gifts, entertainment or hospitality (e.g. from a supplier or potential supplier).

2.2 FACILITATING PAYMENTS

Facilitating payments are small payments made directly to a government official to secure or expedite routine governmental actions to which you are entitled already (e.g. visa, permit or license, port clearance, telephone connection, etcetera). Requests for facilitating payments are more common in certain regions than in others. Facilitation payments may seem innocent, but are a form of corruption!

In certain countries it may be possible to request for expedited services from the government authority (e.g. VIP/express services). As long as payment for such services is made to the government authority and not to an individual government official representing that authority, this should not be a problem. In such case, always ask for a receipt which clearly states the service provided.

Q. When is paying for government services appropriate and when does it become a ‘facilitating payment’?

R. Contrary to a regular payment, facilitating payments are made to the individual government official to entice such official to provide you with a service you are entitled to anyway, but which they are delaying in order to extract payment from you. Unlike payments for VIP/express services regularly offered by governmental organizations, facilitating payments are made to the government official personally to entice him or her to carry out the duties which he/she is obliged to carry out anyway.

ASM forbids making facilitating payments and promotes measures to eliminate such practices. The general guidance in **Annex A** relating to corruption also applies to facilitating payments.

The one difference between corruption and facilitating payments is that in situations where there is an imminent threat to you or your colleague’s personal health or safety (i.e. you are being stopped along a semi-deserted road or threatened by a government official), a facilitation payment may be acceptable in order to get you out of that situation. If made, such facilitation payment must as soon as possible be reported to your supervisor or manager in writing and must be properly recorded in the books under the heading ‘compliance’. An incident report of the situation which gave rise to the need to make the facilitating payment will also have to be made and shared by you or your manager with your local finance director (controller).

For clarification as to whether a particular payment is prohibited, please consult your supervisor or manager. If a manager wishes to seek further advice about the appropriate course of action, he or she should contact the Global Compliance Officer.

The differences and commonalities between corruption and facilitating payments can be summarized as indicated below.

Corruption	Facilitating payments
*giving / offering something of value	*paying a small sum
*to a private individual or government official	*to a government official
*to obtain an unfair advantage or to influence a decision	*to obtain something you are already entitled to
ALWAYS FORBIDDEN (whether you corrupt someone or are being corrupted)	ONLY PERMITTED IF TO AVOID AN IMMINENT THREAT TO A PERSON’S HEALTH, SAFETY OR SECURITY

2.3 FACILITATING PAYMENTS

Three basic rules apply for both the public and the private sector:

- We do not allow any form of corruption, anytime, anywhere: In practice, conducting business with integrity means that you never accept or offer a bribe, and never engage in corrupting others in any way by giving or promising a bribe, be it directly or indirectly through a third party (like a consultant, supplier, an agent or distributor; the appointment of an agent or distributor requires the prior written approval of the CFO and General Counsel).
- Payments: All payments must be made directly to a bank account in the name of the intended recipient.
- Payments must be properly and transparently recorded in accordance with ASM company standards: No payments may be made ‘off the books’, into secret accounts or so-called numbered accounts.

Confronted with a request for a bribe?

In case you are being confronted with a demand for a bribe, such demand must immediately be rejected, and reported to your supervisor or manager. If your supervisor or manager wishes to seek further advice about the appropriate course of action, he or she should contact the Global Compliance Officer and General Counsel.

As long as ASM maintains strict compliance with this policy the chances of ASM employees being asked to participate in corruption will decrease over time. Please consult **Annex A** for further guidance in responding to demands for a bribe.

2.4 PRIVATE SECTOR

Payments to suppliers and service providers (including to customs clearance agents, transporters, or to local service providers supporting us with governmental services) must at all times be reasonable, defensible and not inflated to allow for (potential) illegal payments. In short, payments to the suppliers of goods or services must be limited to reasonable expenditures made in good faith. Read **Annex A** for warning signs of possible corrupt behavior ('Red Flags').

If the supplier of products or services is a company, payment must be made to the company directly, not to private individuals or ambiguous bank accounts. A request to divert a payment to another entity or person must always be rejected and such payment request should be properly investigated and verified by internal audit.

2.5 PUBLIC SECTOR

When doing business in the public sector you should be aware of the special status of government officials. Generally, government officials are not permitted to accept anything of value to avoid corruption or even the impression of corruption. Governments have taken additional steps to punish this: corruption in the public sector as a whole attracts an even more severe punishment than in the private sector.

The term 'government official' covers a wide range of functions in administrative, legislative, executive and judicial government, whether paid or unpaid, temporary or permanent, elected or appointed, senior or junior. The term even covers individuals not employed by government but with similar positions (e.g. performing a public function for a public agency, public (inter)national organisations or public enterprises, or providing a public service; or acting as a public official).

Examples of government officials:

- policemen
- employees in state companies (like power/water companies)
- judges and public prosecutors
- ministers
- customs officials
- local politicians, mayors and city council members

Principles in relation to government officials (and politically exposed persons: in short 'PEP')

No money, money equivalents, vouchers or contributions in kind must ever be offered or given to government officials, PEPs or political parties. The same applies to business meals, entertainment, or gifts.

Paying for government services

Payments for the following government services are normally considered appropriate and allowed:

- The use of government agents such as governmental customs clearance agents, provided that:
 - this is common commercial practice in the country; and
 - legally allowed; and
 - a specified and legitimate service is executed; and
 - a fee is paid to the government authority which is reasonable and confirmed as being within commercial norms in the relevant country.
- The use of express services offered by the relevant governmental authorities, provided these services are uniform and open to everyone and provided by the government authority – normally by payment of an additional fee to the government authority.

Any agreement for such services needs the prior written approval of your supervisor or manager. Payments for any of the above or similar legitimate services that have been approved must be made directly to the government agency, ministry, municipality or other government body and never to any government official in their individual capacity.

2.6 POLITICAL CONTRIBUTIONS, CHARITABLE DONATIONS AND SPONSORING

If you are considering making a political contribution, a charitable donation or sponsoring on behalf of ASM please adhere to the following:

* ASM does not make any political contributions, even when permitted by law. ASM's Management Board approval is required for retaining a politician as our advisor and/or appointing (former) politicians as board members or similar (management team) advisory positions.

For all sponsoring and charitable donations, make sure that you:

- first check limitations under the law in your country;
- have received the prior written approval of the Senior Vice President Marketing and General Counsel;
- give openly and directly to those who benefit, and not via third-party intermediaries, agents, service providers, representatives and the like;
- avoid conditions being attached or tangible benefits received in return and do not give to charity as a 'reward' afterwards (in the case of sponsoring, only publicity is allowed as benefit in return);
- avoid even the impression of undue influence and make sure that any request for charity is not an attempt to bypass our prohibition on corruption (check family associations with the recipients, for instance);
- are cautious when a donation or 'sponsorship' is requested or hinted at in relation to a business transaction (avoid real sponsorship being used for wrong purposes);
- do so transparently and keep detailed records; and
- exercise professional judgment.

3. **WHEN IN DOUBT**

When in doubt, talk to your direct manager, the Global Compliance Officer, the HR Business Partner or follow the Speak Up Procedure to discuss your concerns. Transparency is part of the ASM culture, part of the way we look after each other and part of preventing you or your colleague(s) from getting into a difficult or even criminal situation.

4. **SANCTIONS**

Non-compliance with this Policy may result in disciplinary measures being taken (see our Policy on Disciplinary Measures). In case stricter requirements in relation to confidential information apply to you - e.g. rules contained in an employment contract, applicable local law or in Staff Regulations – such stricter requirements prevail over those laid down in this policy.

5. **SPEAK UP**

We remind you that our Speak Up Procedure states that each employee must report any situation or behaviour which seems a violation of the law for which a person could end up in jail or for which ASM could pay a substantial fine, such as fraud and corrupt behaviour. Each report will be carefully investigated. Each employee is obligated to fully and promptly cooperate with any company investigation. If you were obliged to report and you did not, you may also be subjected to disciplinary measures.

6. **RELATED POLICIES AND PROCEDURES**

This Policy should be read in conjunction with ASM's:

- Gifts and Entertainment Protocol,
- Policy on conflicts of interest, and
- Policy on disciplinary measures.

Note: This policy does not in any way constitute an employment contract.

ANNEX A:

POSSIBLE ACTIONS WHEN DECLINING A DEMAND FOR A FACILITATING PAYMENT OR ANY OTHER KIND OF CORRUPTION:

- Refer to our Policy and indicate that you will personally commit an offence under your national law and internal rules and therefore risk going to jail and losing your job;
- Question the legitimacy of the demand;
- Ask to consult the superior of whoever is making the demand;
- Remove yourself from the situation as quickly as possible.

These actions also help to avoid/reduce similar requests in future.

Note: Try to anticipate possible situations where demands for a facilitating payment could be made or where you may come across other forms of corruption. E.g. expect delays in getting through customs and when dealing with government permits; set realistic, achievable timescales to be able to resist demands. Avoid becoming a victim of extreme time pressures (government officials know that at such times, facilitating payments are usually paid without much resistance).

WARNING SIGNS ('RED FLAGS')

The following are warning signs indicating that an agent, consultant or representative ("Business Partner") may be violating bribery/corruption rules:

- a. The Business Partner has a reputation for paying bribes;
- b. The Business Partner requires that his or her identity not be disclosed;
- c. The Business Partner refuses to accept contractual provisions, representations and warranties or undertakings addressing past and future compliance with applicable antibribery/corruption laws;
- d. Shareholders, directors, officers or relatives of the Business Partner are "government officials";
- e. The government official recommends the Business Partner;
- f. The Business Partner requires an unusually high commission, or an unusual bonus or other extraordinary payment, or a substantial upfront payment;
- g. Payments are requested to be made to the Business Partner outside of the country where the Business Partner resides or where the services were performed;
- h. Payments are made to third parties or by checks payable to "cash" or "bearer"; or
- i. There exist undisclosed principals, associates or subcontractors of the Business Partner with whom the Business Partner shares fees and commissions.