**Group Policy 39: Policy on Benefits, particularly Gifts and**

**Invitations, and on Prevention of Conflicts of Interest and**

**Corruption**

Company instruction nr. **SQ-ADF-F-O003**

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# Purpose

Integrity and behavior that is in line with both the law and internal regulations (Compliance) are the foundation of our business dealings and are assigned maximum priority within the Volkswagen Group (“**Volkswagen**”). They form the basis for the good reputation of Volkswagen and its brands. Compliance and integrity are essential for the trust placed in Volkswagen by its Customers and Business Partners, for the prosperity of its Employees and sustainable economic success. This success must not be impair by the risk of substantial financial losses caused by criminal fines, disgorgement of profits, civil damages or criminal prosecution.

Volkswagen wishes to award and retain business only in a fair and lawful manner. Volkswagen in consequence does not condone any unlawful, corrupt or other behavior tendent to harm Volkswagen on the part of its Employees or Business Partners, and it will take preventive action against it. Business decisions that are based upon unlawful or unethical behavior have the potential to cause damage to Volkswagen’s assets and/or reputation, to distort competition and to do damage to the common good.

This Group Policy sets binding standards for the handling of Benefits granted or received. Its purpose is to avoid Passive and Active Bribery in relation to Public Officials / Politically Exposed Persons (PEPs) and Business Partners, to prevent embezzlement and to regulate the handling of Conflicts of Interest.

# Applicability

This Group Policy applies to all Group Companies controlled by Volkswagen AG (“**Group Companies**”). Its binding standards require implementation by the respective Group Company through its own policies.

In the event that laws or jurisdictions outside of Germany dispense stricter requirements on the handling of Gifts or Invitations than those contained in this Policy, the stricter regulations shall have priority and must be implement in the respective Policy of the Group Company to which they apply.

Employees of Volkswagen working in different jurisdictions must inform themselves of the respective national legal regulations by approaching their respective immediate supervisors and/or designated functional departments (e.g. Compliance, Legal or Human Resources).

# Scope

Personnel Scope

The provisions of this Policy apply to all Employees and (members of) Corporate Bodies of Volkswagen Group.

Certain specific provisions added to this Group Policy are specificaly directed to the Employees and (members of) Corporate Bodies of Volkswagen Autoeuropa so as to comply with legal requirements under Portuguese law or otherwise as decided by local officers with competences for the purpose, in neither case deviating from nor lessening the requirements set forth in this Group Policy.

Members of Volkswagen Group Corporate Bodies, due to their special function, may be subject to a greater potential risk for Conflicts of Interest when receiving or granting Benefits; there may also be an increased reputational risk for the Group Company that is represented by such Corporate Body and/or its members. The respective supervisory bodies may establish additional parameters, i.e. regulations, processes and responsibilities for Volkswagen members of Corporate Bodies, particularly board of management members, that may deviate from those specified in this Policy.

Functional Scope

This Policy regulates the basic principles of conduct for Volkswagen Employees and Corporate Bodies in the context of granting Benefits to Public Officials and of receiving Benefits from Business Partners. It also regulates the requirements for the handling of potential conflicts that exist or arise between private and business interests of Volkswagen Employees or bodies and interests of Volkswagen (Conflicts of Interests).

Volkswagen Code of Conduct, other applicable Group Policies

Volkswagen Employees and Corporate Bodies are obligated to comply at all times with the law and internal regulations when handling Benefits and Conflicts of Interest – in particular with this Group Policy as well as the Volkswagen Code of Conduct

This Code of Conduct shall establish the set of principles, values and rules of action of all Managers and Employees in matters of professional ethics, taking into consideration the criminal rules on corruption and related offences and the risks of exposure of Volkswagen to these crimes.

The Code of Conduct shall identify, at least, the disciplinary sanctions, which under the law may be applied in the event of non-compliance with the rules contained therein and the criminal sanctions associated with acts of corruption and related offences.

A report shall be drawn up for each infringement, identifying the violated rules, the sanctions applied, as well as the measures adopted or to be adopted, including within the scope of the internal control system provided for in Article 15 from the annex of decree law 109-E/2021.

The Code of Conduct is reviewed every three years or sooner if there is a change in the attributions, organics or corporate structure of Volkswagen and/or of the Group Companies, that justifies its review.

The Group Companies ensure that the Code of Conduct is made public to their respective Employees and Business Partners and should do so through the intranet and on their official Internet page, if these are available, within 10 days of its adoption or of respective review.

This Policy may partially overlap in scope with the following Group policies, in which case the Policy or policies specifically designated to make stipulations regarding a particular matter shall have priority:

* Group Policy 42, Granting Donations and Sponsorships
* guidelines, policies or work instructions regarding Benefits to Employees or Corporate Bodies by a Group Company;
* Group Policy 35, HR Compliance;
* guidelines, policies or work instructions on pricing, in particular on the granting of discounts.

# Regulatory Compliance Program and party responsible for regulatory compliance

The following definitions apply in relation to the application of this Policy. They are based upon the statutory regulations of Portugal and internationally recognized legal standards, in particular criminal laws prohibiting corruption and embezzlement which apply to Volkswagen Autoeuropa.

In order to guarantee the adoption of measures to prevent corruption, a regulatory compliance program should be implemented, which includes, at least, a plan for the prevention of risks of corruption and related infractions, a code of conduct, a training program and a channel for denunciations, in order to prevent, detect and sanction acts of corruption and related infractions carried out, in accordance with the General Regime for the Prevention of Corruption.

Each Group Company shall appoint a senior manager or equivalent as compliance officer to ensure and monitor the implementation of the compliance program.

The Compliance Officer is responsible for regulatory compliance shall perform his or her functions independently, permanently and with decision-making autonomy, and each Group Company shall ensure that he or she has the internal information and human and technical resources necessary for the proper performance of his or her function. The Compliance Officer of Volkswagen Autoeuropa has already been appointed and is in office.

# Plan for the prevention of risks of corruption and related infractions

Volkswagen Autoeuropa shall adopt and implement a plan for the prevention of risks of corruption and related infractions (“PPR”) that covers the entire organization and its activity, including administrative, managerial, operational or support areas, and which contains:

* The identification, analysis and classification of risks and situations that may expose

Volkswagen Autoeuropa to acts of corruption and related infractions, including those associated with the exercise of duties by the members of the management and administrative bodies;

* Preventive and corrective measures to reduce the likelihood of occurrence and impact of the risks and situations identified.

The PPR must contain:

* The areas of activity with risk of occurrence of acts of corruption and related infractions;
* The likelihood of their occurrence and the foreseeable impact of each situation, in order to allow for grading of the risk;
* Preventive and corrective measures to reduce the likelihood of occurrence and impact of the risks and impact of the risks and situations identified;
* In situations of high or maximum risk, it must contain the most exhaustive prevention measures, priority being given to their execution;
* Designation of a person responsible for the general execution, control and revision of the RPP for the prevention of risks of corruption;
* Designation of a person responsible for the general execution, control and review of the RPP, who may be the person responsible for the regulatory compliance.

A single plan may be adopt and implemented covering the entire organization and activity of the Volkswagen Group, including administration, management, operational or support areas of Volkswagen Autoeuropa the group's entities.

Volkswagen Autoeuropa implements a plan for the prevention of risks of corruption and related infractions, “PPR “fully compliant with Group Policy and applicable law.

The plan is reviewed every three years or sooner if there is a change in the attribution, organics or corporate structure of Volkswagen and/or of Volkswagen Autoeuropa, that justifies its review.

The management board is responsible for the adoption and implementation of the compliance programs provided for in the RPP, without prejudice to the powers conferred by law to other bodies, directors or Employees.

# Employee Training

Volkswagen Autoeuropa ensures the implementation of internal training programs for all its managers and Employees, so that they are aware of and understand the implemented policies and procedures for the prevention of corruption and related infractions.

The content and frequency of training for managers and Employees shall take into account the different exposure of managers and Employees to the identified risks.

The hours of the training provided count as hours of continuous training that the employer must provide to the Employees.

Volkswagen Autoeuropa shall endeavor to make the policies and procedures known to the persons and entities with which it deals.

As a priority, Employees should be train regularly and in a risk-based and target group oriented manner through the respectively responsible Compliance functions. Execution of training and training concepts (i.e. for new hires, individual groups of Employees, content, frequency) must be documented by Human Resources in compliance with internal Group policies and regulations.

# Terms and Definitions

The following definitions apply in relation to the application of this Policy. They are based upon the statutory regulations of Germany and internationally recognized legal standards, including under Portuguese law, in particular criminal laws prohibiting corruption and embezzlement.

* 1. **Public Official** is any individual that has been appointed, mandated or elected into public office of the executive, judicial or legislative branch of a nation, domestically or abroad, or by an association of nations (e.g. European Union). Members of legislative bodies (such as parliaments) and military personnel (drafted or employed) are Public Officials.

Members of corporate, administrative or supervisory bodies, directors, deputy directors, managers, as well as any top management personnel of **Public Enterprises** and/or **Public Organizations** are considered **Public Officials**.

Honorary officials that are tasked with and carry out official duties (e.g. mayors or councilmen in small municipalities) as well as individuals that have not been appointed, mandated or elected but are tasked with the execution of public or governmental duties (e.g. enforcement of parking or other traffic violations) are considered Public Officials.

Officers or members of political parties, political or lobbying organizations are not Public Officials but may be **Politically Exposed Persons (PEPs)**.

* 1. **Performance of Official Function** (see: **Official Act**).
     1. **Cash** refers to money in the form of coins or (bank) notes in any legal currency. Money transferred by money order, debit, credit or other transactions as part of a bank transfer are considered cash, as are any offsets made through accounting procedures.
     2. **Cash Equivalents** are vouchers, tokens or charge cards, checks, coupons for goods or services, rebate coupons and comparable instruments (in particular crypto currencies) that can be use instead of cash for payment or remuneration, in particular for the purchasing of goods or services.
     3. **Employees (of the Volkswagen Group) / Volkswagen Employees** are salaried and other contracted or otherwise hired Employees of a Group Company. Employees of a Group Company with a dormant employment relationship that have been seconded for a certain period of time to a subsidiary/shareholding of the Volkswagen Group that is not a **Group Company** are regarded as Employees.
     4. **Bribery** is the exchange, undertaken or intended, of an Advantage in return for a lawful or illegal[[1]](#footnote-1) Official Act or the Performance of Official Function (public bribery) or for a Business-Related decision beneficial to a Group Company as a Business Partner (commercial bribery).

**Active Bribery** refers to the offering, granting or promising an Advantage, Passive Bribery refers to the demanding, receiving, or accepting promises of an Advantage in return for an Official Act or a Business-Related decision as defined above.

* + 1. **Official Act** or **Performance of Official Function** is any act or omission which a Public Official is authorized or able to undertake in connection with the office they have been appointed, mandated or elected to perform. The mere Performance of Official Function, meaning the exercise of any sum of routine or regular acts or omissions in connection with an individual’s performance of an office is considered an Official Act.

Decisions made in connection with public tenders or other purchasing procedures as well as decisions regarding public grants, credits, financing or subsidies are Official Acts.

* + 1. **Third Parties** are any individuals or legal entities who are neither Employees of the Volkswagen Group, members of Corporate Bodies of a Group Company or a Group Company. In relation to Employees and Corporate Bodies, all Group Companies that they are not employed by nor mandated to represent, respectively, are considered Third Parties.
    2. **Invitation** is a form of Benefit which advantages the recipient by granting access or availing the possibility of access to an event or an occasion, to a venue or a person without any legal obligation existing on the part of the grantor to grant such access or possibility and/or any obligation on the part of the recipient to remunerate or reciprocate.

Reimbursing or advancing of travel costs, i.e. for transport, accomodation and/or meals, in whole or in part, is considered an Invitation when is being granted without any corresponding obligation(s) by the recipient.

The provision of access rights in the form of passes, event tickets or similar is considered an Invitation if the recipient is being accompanied to the occasion, event or venue by an Employee of the Volkswagen Group or a member of a Volkswagen Corporate Body, otherwise it is considered as a Gift.

* + 1. **Facilitation and Expediting Payments** (jointly: **Facilitation Payments**) are such Benefits in the form of cash that are being given to a Public Official in order to facilitate or expedite regular or routine Official Acts which are in line with applicable law (non-illegal Official Acts).
    2. **Business-Related** is any act and any occasion which in whole or in the majority is designated to initiate, retain or obtain business relations by or for a Group Company with a Business Partner.
    3. **Business Partner** is any individual or legal entity which currently or prospectively has or will have or is intended to have a contractual relationship with a **G**roup Company the purpose of which is the exchange of goods or services or financial means, the research and/or development of company related processes or goods (particularly products), and/or the purchasing or sale of of goods, rights or assets, either respectively (from each other) or jointly undertaken.   
         
       Any individual, (member of) corporate body or employee authorized to act on behalf of a Business Partner that is a legal entity is itself to be considered as a Business Partner for the purposes of this Policy.

Any individual, (member of) corporate body or Employee authorized to act on behalf of a target company as well as any legal entity that is the target of an M&A or Cooperation project in the meaning of Group Policy 30 as well as any recipient of a Volkswagen donation are considered Business Partners.

* + 1. **Gift(ing)** is the granting or otherwise transferring of a Benefit to an indvidual or a legal entity (Recipient) by another individual or legal entity (Grantor) without any legal obligation on the part of the Grantor to grant the Gift or on the part of the Recipient to remunerate or reciprocrate the Benefit.
    2. **Conflict of Interest** describes the situation in which personal (private) or financial/business interests of an individual may unduly influence their decisions which they are to make independently and objectively on behalf of another individual or legal entity.

Conflicts of Interest may in particular arise or be present in cases where an Employee or Corporate Body of a Group Company is, will be or has been privately or in business connected with Third Parties that are, potentially will be or have been Business Partners or Competitors.

* + 1. **Supplier** is a Business Partner that offers goods or services to a Group Company. Sponsoring partners in the meaning of Group Policy 42 Granting Donations and Sponsorships are Suppliers.
    2. **Customer** is a Business Partner that (at least: also) purchases, will purchase, has purchased or is intended to purchase goods or services from a Group Company.
    3. **Member of Parliament**, **Elected (Legislative) Official (**see: **Public Official)**.
    4. **Market Value** is the gross price (including tax and other duties) that has to be generally paid or is generally retain for certain kinds of goods or services on a market at a particular point in time.
    5. **Public Enterprise** is a legal entity which incorporates a commercial business and is majority owned or otherwise controlled by a public (government, municipality etc.) body or administration or which is a government instrumentality for the provision of public services. Examples are public broadcasting companies for the former and public transport or energy companies for the latter.
    6. **Public Organization** is an association the members of which are public/administrative legal entities or bodies. On national level, those may be associations of municipalities or cities or of universities. On international level, those are particularly international organizations of member states, such as the United Nations.
    7. **Corporate Body** equally refers to the person (member) or group of persons (body) which are ultimately responsible and authorized to represent and act with superior authority for the business operations of a legal entity, for example the board of a stock company or the general manager of a limited liability company. Supervisory boards are not considered Corporate Bodies for the purposes of this Policy.
    8. **Politically Exposed Persons (PEP)** refer to any and all Public Officials, furthermore managing members (officers) of political parties or organization and lobbying organizations, as well as any third party closely related to them personally or in business, close family members.
    9. **Donation** is a Giftintended to serve a scientific, cultural, political, religious or other purpose of common good nature.
    10. **Advantage** is any thing of material (tangible) or immaterial (intangible) kind that advances its recipient economically, legally or personally.

It is of no consequence whether the advantage has an immediate or any kind of material value. Honorary titles, awards and honorary offices (also such without remuneration) are considered Advantages.

Advantages are for example and in particular:

* + goods or services,
  + lending of goods, in particulary company property (for example vehicles) for use,
  + conclusion of a contract as a basis for a person to receive goods, services or remuneration.
    1. **Competitor** is any individual or legal entity participating in a market by offering goods or services that are identical to those goods or services of a Group Company which it is offering on the same market.
    2. **Benefit** refers to an Advantage in the form of a Gift or an Invitation.
    3. Close Family Members refers to:
* The spouse or unmarried partner of a politically exposed person (PEP);
* The relatives and first degree relations, in the direct or collateral line, of the politically exposed person(PEP);
* The non-marital partnership of the relatives of the politically exposed person (PEPs) referred to in insofar as they do not benefit from the status of affinity;

The persons who, in other legal systems, occupy similar positions;

# General Standards

## Volkswagen Employees and Corporate Bodies do not offer or accept bribes.

## Volkswagen Employees and Corporate Bodies do not use Benefits to influence decisions by Public Officials or Business Partners.

## Within their business operations, Volkswagen Employees and Corporate Bodies ensure that even the mere impression of exercising undue influence on Public Officials’/PEP’s or Business Partners’ decisions is avoided at all times. Volkswagen Employees and Corporate Bodies observe a business behavior of both, compliance and integrity particularly when dealing with foreign or domestic Public Officials, PEPs or Customers.

## Volkswagen Employees and Corporate Bodies are prohibited to instigate, request or demand Gifts, Invitations, personal services, favors or other Benefits for themselves or others from Public Officials or Business Partners.

## Volkswagen Employees and Corporate Bodies will decline Gifts, Invitations or other Benefits from Business Partners when such have the potential to influence decisions or may create the impression of influencing decisions due to their value or other characteristics (e.g. through a timely proximity with contractual negotiations).

## Volkswagen Employees and Corporate Bodies are prohibited from granting or accepting Cash or Cash Equivalents as Gifts to or from Third Parties. Exempted from this prohibition are such Cash or Cash Equivalents that are being provided within the framework of marketing or sales incentive campaigns to a large number of Business Partners at the same time and in equal amounts (e.g. rebate campaigns, fleet discounts etc.).

## Volkswagen Employees and Corporate Bodies avoid Conflicts of Interest and the impression of Conflicts of Interest through transparency and appropriate measures.

# Granting Benefits to Public Officials/PEPs and Business Partners

Benefits to Public Officials/PEPs

* + 1. Invitations, Gifts and other Benefits that are being granted to Public Officials or PEPs by Volkswagen Employees or Corporate Bodies must be scrutinized with due diligence. They must always be subjected to a prior, complete and diligent assessment. This assessment is the responsibility of Volkswagen Employees, their respective immediate supervisors and, where necessary, the respectively responsible Compliance function. Recommendations made by Compliance in connection with such assessments must be taken into account; any intention to deviate from them must be communicated to Compliance, and a reason for the intended deviation must be provided with the communication.
    2. In the event that the recipient of a Benefit is not a Public Official or PEP himself, but a third party with close personal or business connection to him, Section 9.1.1 applies if there is a possibility that granting the Benefit has the potential to unduly influence the Public Official/PEP.
    3. Infringements of applicable laws or the impression of such infringements may be the result of a number of indications. Volkswagen Employees and Corporate Bodies under no circumstances will therefore grant Benefits in the form of Cash, Cash Equivalents or other Advantages immediately or through intermediaries (third parties) to Public Officials or any individual with a close personal or business relation to them in exchange for an actual or perceived return in the form of an Official Act.

**Facilitating and Expediting** payments **(Facilitation Payments) are not permitted.**

* + 1. The repeated or regular granting of Benefits (e.g. weekly, monthly, quarterly) over a period of time to a Public Official/PEP (“relationship building”) are not permitted even when no concrete agreement is being made regarding a return in the form of an Official Act.
    2. Any impression of the exercise of undue influence being made on political decision-makers, particularly Public Officials and PEPs, through the granting of Benefits, particularly in the form of Gifts or Invitations, must be avoided. Specific regulations regarding lobbying, meaning the professional influencing of political decisions in favor of certain interests, and registration obligations of such activities are stipulated in the Group   
       Policy 40 Public Affairs – One Voice Policy.
    3. Orientation Values in Section 12. apply to this Section 9.1. Employees should consider, however, that Public Officials regularly must comply with stricter regulations regarding the possible acceptance of Benefits (particularly Invitations), and that specific prohibitions may apply. Any grantor of a Benefit and any person extending an Invitation to a Public Official must ensure, through appropriate measures and applying reasonable efforts (e.g. requesting the recipient’s regulations, noting the requirement of compliance with regulations on the written invitation etc.) that such regulations and prohibitions are being complied with.
    4. To Public Officials that are Business Partners, or whose principal is a Business Partner, the stipulations of this Section 9.1 apply jointly with those of Section 9.2 with the former having priority.

Benefits Granted to Business Partners

### **Volkswagen Employees and Corporate Bodies may grant Benefits to Business Partners within the scope of normal business activities if those are:**

* **in compliance with all applicable laws and Group internal regulations;**
* **aligned with Volkswagen’s business interests, and**
* **appropriate in terms of their value and with regard to the occasion or circumstances in which they are granted.**

### **The following are generally considered as appropriate in the meaning of Section 6.2.1:**

* **promotional and occasional Gifts of low market value,**
* **Invitations to meals that are exclusively attended by Business Partners for business purposes (“Business Meals”),**
* **Invitations to events with sole or predominant expert/academic or business purposes.**

### **The Orientation Values provided in Section 12 of this Policy stipulate what is generally considered appropriate in the meaning of the previous Section 9.3.2.1. In the event that there are doubts as to whether a Gift, Invitation or other Benefit is appropriate, Volkswagen Employees will consult with their respective immediate supervisors. In the event that additional advice is required, Volkswagen Employees or their respective immediate supervisors may contact the designated functional departments (e.g. Compliance, Human Resources).**

### **Employees should consider that an accumulation of Benefits, particularly in the form of Gifts or Invitations, may create the impression of exercising undue influence on their recipient. An accumulation is generally to be assumed when Benefits are being granted repeatedly within a short period of time or on a regular basis (e.g. weekly, monthly, quarterly).**

### **Any Invitation extended towards a Business Partner requires a legitimate business purpose. The Invitation must be appropriate in respect to the occasion and the position of the recipient. Any impression that a Business Partner shall be unduly influenced in a Business-Related decision or brought into dependency must be avoided. This must in particular be taken into account when extending Invitations in close timely proximity to decisions regarding the (initial) commencement, the continuation or a substantial change of a business relation, in particular in connection with procurement processes, M&A transactions or cooperations in the meaning of Group Policy 30.**

### **Any Invitation to a Business Partner that is not a Business Meal in the meaning of Section 9.3.2 shall only be extended after undertaking a previously defined and transparent selection process applying objective criteria. The Invitation must be extended in written form and sent to the business address of the Business Partner, and it must contain an agenda of the event/occasion the Invitation is for.**

### **Invitations shall generally be addressed to the legal entity that is the Business Partner. Personalized Invitations that are addressed to (a) particular individual(s) shall only be extended when there is an objective reason.**

### **Invitations “plus one“ which allow the Business Partner receiving it as an individual to be accompanied to the event/occasion by another person (e.g. a life partner) are only permissable in exceptional cases, e.g. when the attendance in the company of another person is socially adequate or expected.**

### **Coverage or reimbursement of travel and accommodation costs incurred by a Business Partner by Volkswagen (an Invitation) must have a legitimate business purpose. The items covered must be appropriate in respect to the event/occasion and the position of the Business Partner. Regarding the latter it shall be observed that:**

### **in cases of alternative venues, the venue with closest proximity to the residence of the individual receiving the Invitation shall be chosen. Overseas travels are only permissable in cases where an objective and legitimate business consideration demands such.**

### **top luxury elements (e.g. first class flights, luxury hotels) are generally not permissable, unless there are, in exceptional cases, extraordinary circumstances poviding a justification for such. In such cases the respectively responsible Compliance function must be included in the planning process in advance.**

### **the Business Partners’ presence on site of the event/occasion must be appropriate in relation to its business purpose.**

### **The fiduciary duty to safeguard Volkswagen’s company assets must be observed at all times when granting Gifts, Invitations or Benefits to Business Partners.**

# Accepting Benefits from Business Partners

## Volkswagen Employees and Corporate Bodies may accept Benefits from Business Partners if they are of an appropriate value and if the occasion or circumstances in which they are granted are appropriate.

## Sections 9.3.1 to 9.3.5, and 9.3.6 and 9.3.7 apply accordingly.

## Coverage or reimbursement of travel and accommodation costs incurred by Volkswagen Employees or Corporate bodies by Business Partners is generally not permitted.

## In cases where transport or accomodation is being provided by a Business Partner’s own transportation means or accomodation venues, the market value of such transport or accomodation must be determined and reimbursed to the Business Partner. Exempted are such transports and accomodations that are being provided to a Volkswagen Employee or Corporate Body as part of that Employee’s or Corporate Body’s engagement as an active participant (e.g. moderator, speaker or presenter) of expert/academic events by the organizer of such event.

## The acceptance of material, financial or other (for example: organizational) support of social gatherings between Volkswagen Employees and/or Corporate Bodies (e.g. Christmas parties etc.) from Business Partners is not permitted, irrespective of that Business Partner’s participation or the participation of the Business Partner’s agents in the event.

## Any Volkswagen Employee or Corporate Body accepting a Benefit from a Business Partner is responsible for and must ensure that all applicable laws and reporting duties are being observed and complied with. This relates to, for example, country specific tax or insurance regulations regarding pecuniary advantages.

# Gifts and invitations from the company to the collaborators.

## In accordance with the provisions of OA 34-1 points 2.4.1. and 2.6.1. Gifts to employees will only be allowed under the following conditions:

## After a decision from a member at the Business Area Manager level, the award of the gift is authorized.

## For the offer to be award there must be one of the following reasons:

## Social convention, p. eg, an employee's birthday or retirement.

## The offer must consist of a promotional product intended to be presented to employees (eg, writing material or car miniatures).

## The offer is awarded in the context of a different contractual relationship, under which this offer can also be attributed to third parties (eg long-term customers).

## Invitations can be made to employees or their immediate family members, according to the following conditions:

## After a decision by a TMK or OMK member that states that Volkswagen Autoeuropa must carry out the invitation.

## For the invitation to be carried out, there must be one of the following reasons:

## The invitation was approved by the HR department, taking into account the history of the contractual relationship and as a means of recognizing performance or as a form of incentive for future performance.

## The event is a motivational event for employees, as part of a global concept to promote employees or to encourage employee loyalty.

## The invitation is made in relation to a different contractual relationship, under which the invitations can also be extended to third parties.

For invitations with a value greater than 50 €, additional conditions apply (see Annex 4).

A distinction should be made between invitations to events and participation in events serving the company. Employees, who are asked to

• who perform a specialized function or

• who exercise representation duties on behalf of Volkswagen Autoeuropa,

They must be entitled to free entry to events when they are at the service of the compa-ny. If there are imperative interests of the company and after approval by the employee's supervisor, these employees can be accompanied by a member of their household.

Exceptional business invitations to collaborators due to extraordinary actions/achievements may be granted under the following circumstances, provided that they are dully justified, not predicted in the company policies ( eg. Política de Mérito) , an exceptional “business invitation” in the meaning of “invitation for a meal” and do not violate the local regulations and  principles:

            - within company core business;

            - should not be part of his/her function or annual personnel objectives;

            - must not be recurrent/repeated (even irregular)

The approval of exceptional invitations due to extraordinary actions/achievements must be proposed by one Board Member in the Board Meeting and unanimously approved. The approval must be required through the proper BoM decision-making process.

Business entertainment expenses related to events that have a clear business purpose must follow the regulations specified in SQ-DF-D-O600 “Regulations on expenses for Travel and Business entertainment”, including the present policy.

# Orientation Values

## The following Orientation Values shall serve as a support for Volkswagen Employees and Corporate Bodies in determining whether a Benefit is appropriate and the foregoing provisions on Gifts and Invitations shall fully apply and must be complied with. It shall be observe that a Gift, Invitation or other Benefit not meeting an Orientation Value (having a lower value) may still be inappropriate. On the contrary, a Gift or Invitation exceeding the Orientation Value (having a higher value) may still be appropriate. For the previous reasons, Volkswagen Employees shall critically determine the appropriateness of a Benefit individually in each case, specifically examining any accompanying circumstances.

## Invitations to Business Meals in the meaning of Section 9.3.2 are generally considered appropriate when the gross value per participant does not exceed 100 Euros (one hundred euros (Orientation Value for Business Meals). In general, Invitations to Business Meals shall only be accepted when individuals from the Business Partner’s side other than the individual extending the invitation also participate.

## Benefits that are not Invitations to Business Meals in the meaning of Section9.3.2 are generally consider appropriate when their gross value does not exceed 50 Euros (fifty euros) (Orientation Value for other Benefits).

## Employees should consider that also an accumulation or regular frequency (e.g. weekly, monthly, quarterly) of the acceptance of Benefits might create the impression of exercising undue influence on Volkswagen’s business conduct. This may particularly be the case when single Benefits do not but their accumulation does exceed the Orientation Values.

## In the event of doubts regarding the appropriateness of Gifts, Invitations or Benefits, Volkswagen Employees, prior to any acceptance, will consult with their respective immediate supervisors. In the event that additional advice is required Volkswagen Employees or their immediate supervisors shall contact the responsible functional departments (e.g. Compliance, Human Resources).

## Volkswagen Employees will disclose to their respective immediate supervisors any Benefits, particularly Gifts and Invitations, that will prospectively exceed the Orientation Values of Sections 12.2 or 12.3 prior to their acceptance.

## In the exceptional event that a prior disclosure is not possible due to factual circumstances (e.g. the supervisor is unavailable during a business trip), such disclosure must be made with no undue delay and as soon as possible after the acceptance. With the disclosing communication, the reasons for the impossibility of prior disclosure must be provided.

## Any event in which Orientation Values of Sections 12.2 or 12.3 shall be or have been exceeded must be documented by Volkswagen Employees using the form provided in Annex 1 to this Policy.

## After consultation with the Volkswagen Employee and, where necessary, additional internal functional departments, the respective immediate supervisor will decide how to handle the respective Benefit exceeding the Orientation Values. In cases where a Group Company provides for the possibility to hand over the Benefit to the respectively responsible Compliance function, possibly with a subsequent auction, sale or raffle of the Benefit with its proceeds being subsequently spent on a charitable cause, this possibility shall be considered with priority.

# Assessment and Documentation of Benefits

## The functional departments of each Group Company assess Benefits that are being grant or accepted within a standardized process in order to prevent an undue accumulation of Benefits to identical recipients. Undue accumulations must also be prevented on Group level. A documented management control must be ensured.

## In cases where no documentation system exists which displays content in comparable form, as does, for example, the Event Ticketing Distribution (ETV) Process at Volkswagen AG, each Volkswagen Employee must ensure proper and complete documentation in accordance with Annexes 1 and 2. The documentation must be retained for a minimum of two years, and it must be available in the Employees’ files and those regarding the respective Business Partner. All costs incurred in connection with a Benefit must be documented properly and completely in the appropriate accounting log(s).

# Handling Conflicts of Interest

## It is every Volkswagen Employee’s and Corporate Body’s obligation to avoid Conflicts of Interest. In the event that Conflicts of Interest already exist before the commencement of a Volkswagen tenure or Corporate Body mandate, or where they will prospectively arise during a tenure or the exercise of a Corporate Body mandate, the following regulations apply.

## A distinction is made in this Policy between potential general Conflicts of Interest and potential singular Conflicts of Interest.

## Potential general Conflicts of Interest are such that are solely attributable to the fact that a certain function or office within Volkswagen is being accepted for a duration of time by an individual, and where it will arise in connection with the nature of the tasks and authorities of the respective function or office, thus the accepting individual’s projected permanent performance of this function or office.

## An example is the performance of duties as a voting member of a Procurement committee or other decision-making body whilst the individual performing the duties is (already) a shareholder of a legal entity that is a Supplier.

## Potential singular Conflicts of Interest are such that arise or exist in connection with a single Business-Related decision.

## An example is the decision about a donation to be made to a Business Partner in whose corporate body a Volkswagen Employee is a member.

## Potential general Conflicts of Interest as described in Section 14.3 and Section 14.4 must be reported by the affected Volkswagen Employee to the respective immediate supervisor and the respectively responsible Human Resources department with no undue delay as soon as they have materialize, will predictably materialize or may potentially materialize using the form provided in Annex 3. Group Policy 35 HR Compliance applies to the subsequent processes and procedures. Assessments made as well as measures decided within such procedures must be documented by the respective Volkswagen Employee and their respective immediate supervisor as well as, where appropriate, in alignment with Human Resources.

## Potential singular Conflicts of Interest as described in Section 14.5 and section 14.6 must be reported with no undue delay in appropriate manner to the respective decision-making body or individual as well as any functional departments (e.g. Compliance) involved in the respective decision making process, independently and irrespectively of any reporting that is required or not required in accordance with Section 14.3 to be made to the respective immediate supervisor and/or Human Resources. This shall enable the decision-making body or individual to determine appropriate measures in accordance with the following Section 14.5 designed to avoid the potential Conflict of Interest.

## Possible measures to avoid potential singular Conflicts of Interest as described in Section 14.5 shall be determined with appropriate consideration by the respective decision- making body or individual as well as any involved functional departments.

## Generally suitable to avoid a potential singular Conflict of Interest as described in Section 14.5 is the partial or complete exclusion of the respective Volkswagen Employee or (member of) Corporate Body bearing the potential conflict from the conflict inducing internal decision-making process.

# Processes, Procedures and Consultation

## Volkswagen Employees may receive advice and support regarding the handling of Benefits from their respective immediate supervisors as well as the designated functional departments (e.g. Compliance, HR Compliance, Human Resources). Group Policy 35 HR Compliance contains specific regulations regarding the responsibility of Human Resources/HR Compliance.

## Processes and consulting services providing guidance and advice will be implemented to ensure Volkswagen Employees’ confident handling of Benefits and Conflicts of Interest in cases of doubt.

## The respectively responsible Compliance functions will jointly define consistent consultancy standards through overarching consultancy guidelines in order to ensure a uniform standard of advice. In particular, they will align and define standards regarding recurring types of Benefits and the handling of Conflicts of Interest.

# Tone from the Top/Tone from the Middle

Volkswagen’s top-level management will communicate regularly and in appropriate format to the Volkswagen Employees the standards stipulated in this Policy. Volkswagen’s manag-ers will act as multipliers of the Compliance culture.

**The Board of Management**

**Annex 1 to Group Policy 39**

**Documentation of the participation in Business Meals, Events and/or Invitations or other Benefits Received**

The following information must be included in the documentation on the receipt of Benefits or other Gratuities such as the participation in business meals, events and/or Invitations or other Benefits received, pursuant to Sections 12.8:

* Object and, as appropriate, (market) value of the Gratuity/Invitation
* Occasion and purpose and/or circumstances of the Gratuity/Invitation
* Giver of the Gratuity/inviting party, i.e. natural person or legal entity intending to provide the Gratuity/extend the Invitation
* Recipient of the Gratuity/invited party, i.e. natural person or legal entity intended to receive the Gratuity/Invitation
* Information concerning other invited parties and other inviting parties (which company, which department)
* Nature (private or business) and content (i.e. content of the agreement, etc.) of the existing or prospective relation between giver and recipient
* Agenda of the event, frequency, status of any existing Business Relation

**Annex 2 to Group Policy 39**

**Documentation of Benefits, i.e. Gifts and Invitations, Granted**

The following information must be included in the documentation on the provision of Gratuities and Invitations and other Gratuities granted to Business Partners pursuant to Section 13.2:

* Object and, as appropriate, (market) value of the Gratuity/Invitation
* Occasion and purpose and/or circumstances of the Gratuity/Invitation
* Recipient of the Gratuity/Invitation, i.e. natural person or legal entity intended to receive the Gratuity/Invitation
* Information as to whether the Recipient of the Gratuity is a Public Official
* For Invitations: information concerning other invited parties and other inviting parties (which company, which department)
* Nature (private or business) and content (i.e. content of the agreement, etc.) of the existing or prospective relation between giver and recipient
* Agenda of the event, frequency, status of any existing business relation

**Annex 3 to Group Policy 39**

**Notification Regarding Conflicts of Interest**

The following information must be included in the notice concerning potential Conflicts of Interest, pursuant to Section 14.7:

aa) in cases related to Gratuities, the information pursuant to Annexes 1 and 2;

bb) in all other cases, the following information:

* name of the Employee(s) in a present or potential future Conflict of Interest,
* statements concerning the anticipated, prospective or existing Private Relation, or Business Relation of the Employee which may be the cause or object of the Conflict of Interest,
* point in time as of which and scope in which the Conflict of Interest has arisen or may yet arise, and
* other relevant circumstances, to the extent helpful in connection with the assessment from the perspective of the notifying party.

cc) to the extent that the stake in or position/function with a third-party company held by the Employee is relevant, the following information, in addition to the information under bb):

* name, date of formation, place of business and object of the third-party company,
* information as to whether the third-party company is or may become a Customer or a Supplier of a Company, and
* to the extent available: holding structure (other shareholders) of the third-party company.

1. Under German statutory law, only an exchange of an advantage in return for an illegal official act is considered bribery; an exchange in return for a legal official act is referred to as the granting of an undue advantage. Internationally, both are equally referred to as “bribery”. [↑](#footnote-ref-1)