

Brenntag

Anti-Corruption Guideline

1. Introduction

The purpose of this Guideline is to provide additional guidance and standards to ensure that our employees and directors behave appropriately in order to avoid subjecting themselves and the Company to liability for corruption or bribery. This Guideline, together with the Code of Conduct, constitutes the global framework for Brenntag's Anti-Corruption Program and sets out Brenntag's minimum standards.

More specific guidance and/or procedures may be provided in local or regional policies, such as local gift and hospitality or anti-bribery policies. Any stricter local requirements will also apply in addition to the minimum standards set out in this Anti-Corruption Guideline.

2. Corruption and Bribery

Brenntag does not tolerate any kind of corruption, bribery or any other illegal practices.

Bribery is typically defined as the offering, giving, receiving, or soliciting of any improper pecuniary or other advantage to, from or by any person to in order to influence the actions of an official or other person for personal gain or to secure a business advantage.

Brenntag requires all its employees, directors, joint venture and third party representatives (such as agents, consultants, etc) to refrain from engaging in all forms of corruption and bribery anywhere in the world. Due to the international nature of the Brenntag Group's operations, the requirements of various country laws with a global reach, such as the US Foreign Corrupt Practices Act and the UK Bribery Act, must also be complied with.

All Brenntag employees are strictly prohibited from offering, promising or granting, directly or indirectly, to any public or foreign public official¹ or to any domestic or foreign employee or representative of any company any improper benefit with the intention of:

- influencing any act or decision,
- securing an improper advantage,
- causing a person to improperly perform a relevant function or action,
- inducing a person to use his/her influence to improperly affect an official act or decision.

¹ Public officials are typically defined as employees or representatives working at any level of governmental or public institutions, such as candidates for political office, any official, employee or representative of any government or state owned enterprise or international organization.

Likewise, employees may not directly or indirectly request or accept improper personal benefits such as money or gifts, favors or other advantages from business partners or other persons or third parties.

Anti-Corruption laws also apply to indirect (or hidden) forms of corruption such as payments in the form of “fees” for little or no value services of minimal or no value, kickbacks, i.e. accepting or granting the return of an amount already paid or due as a reward for the award of additional business², unlawful discounts or bonuses, overpricing, etc. Engaging in these types of practices may lead to very serious consequences for the Brenntag Group and the employees involved.

Any person involved in acts of bribery or corruption may be subject to termination of employment, reputational damage, criminal prosecution, damage claims, imprisonment, fines and/or other sanctions in accordance with applicable law. Bribery or corruption can also lead to very serious consequences for the Brenntag Group such as significant criminal penalties, damage to credit rating, loss of reputation and goodwill, loss of contracts and permits, exclusion from tenders, etc.

3. Gifts and Hospitality

Brenntag permits corporate Gifts³ and Hospitality⁴, and promotional or business expenditures, which seek to improve the image of our Company and establish cordial relations with our business partners as this forms a part of our business. It is not the intention of this Guideline to prohibit any such activity.

The following guidelines must be followed when Gifts or Hospitality are received or granted in order to avoid any allegations of corruption or the appearance of impropriety.

Any Gifts or Hospitality offered or received should:

- **be reasonable and appropriate;** *gifts or hospitality may not exceed normal local business conventions; to determine if a Gift or Hospitality is appropriate, the status/job position of the recipient should be taken into consideration. Before accepting or granting Gifts or Hospitality of significant value, the direct supervisor of the employee or the Regional Compliance Manager must be consulted.*
- **be made transparently;** *any Gift or invitation must be sent to or received at the recipient's official business address or be personally delivered in the ordinary course of business.*

² Kickbacks that are based on target figures (i.e. yearly sales volume targets) that have been agreed in advance with suppliers or customers are not considered bribes or corruption.

³ “Gift” means any payment, gratuity, benefit, present or advantage, given or received, that is not part of the formal consideration for any action or inaction.

⁴ “Hospitality” means all form of social amenity, such as lunches & dinners, entertainment, travel or lodging, or an invitation to a sporting or cultural event.

- **not improperly affect, or be reasonably expected to improperly influencing the recipient's performance of his or her duties;** *the circumstances should not give rise to the impression that the recipient is expected to act in a certain way because of the Hospitality or Gift or to return the favor (no quid pro quo); conflicts of interest should be avoided which may occur if a gift is received or given in connection with performing a task or duty.*
- **not knowingly contravene the provisions of the recipient's code of conduct or relevant policies;** *before offering a gift or hospitality employees must ensure that it will not violate the intended recipient's code of conduct (approval process, value limits, etc.).*
- **neither be offered too frequently or at an inappropriate time;** *benefits offered to or received from the same business partner should occur infrequently; examples of inappropriate timing include offering or receiving gifts or high value invitations that have the potential to influence the beneficiary during a tender, pending legal proceedings, concession/authorization process or in connection with negotiation, award or performance of a contract.*
- **not be offered to improperly obtain or retain a business or other advantage;** *if a gift or invitation or anything of value is offered with the intention of gaining an unfair advantage, this will always be viewed as an attempt to bribe. A number of countries absolutely prohibit the offering of Gifts or Hospitality to public officials, while other countries allow such practices only under strict conditions. In all cases, Gifts or Hospitality may only be offered to public officials to the extent permitted under applicable local and applicable international laws.*
- **neither be provided nor received in cash or cash equivalents (such as vouchers);** *in some countries/regions it may be common practice to grant or receive monetary gifts. In every case the receiving or granting of cash or cash equivalents should be carefully considered in light of the circumstances and should not be unreasonably high in amount.*
- **be appropriate considering the culture and the standard of living in the country where the advantage is given or received;** *the type, nature and monetary value of acceptable forms of Hospitality or Gifts will be different from country to country; therefore it is imperative that Gifts or Hospitality given or received take these local customs into account.*

In case of doubt as to whether or not a Gift or Hospitality may be given or accepted, please consult your supervisor or the Regional Compliance Manager.

We realize that much of the above may be covered in local or regional Gift and Hospitality policies; however, the foregoing represents the minimum standards that apply to all Brenntag employees worldwide. Where a local or regional policy is more restrictive or more specific, the local policy will apply. In addition, it is of the utmost importance that all Gifts and Hospitality comply with all local laws and foreign laws where applicable.

4. Donations and Sponsorship

Brenntag permits corporate donations and sponsorships which seek to improve the image of our Company and establish cordial relations with our communities or the general public as

this forms a part of our business. The following criteria must be considered when contemplating a donation or sponsorship (incl. merchandising) opportunity.

Any donation or sponsorship activity must always:

- comply with applicable local law
- be in line with the values and goals of Brenntag as a business and not be made for personal benefit or gain
- not be made to obtain any unfair advantage or serve any dishonest or improper purpose
- be appropriate in value and not create the impression that the recipient is expected to return the favor or to act in a certain way because of the favor
- be carried out in a transparent manner (documentation must include recipient identity, purpose, reasons for sponsorship/donation)
- be approved in advance by Regional Executive Management or the Board, if required.

Political contributions may not be made on behalf of the Company. It should be noted however, that there are no limitations on personal political donations or contributions.

5. Facilitation payments

Facilitation payments involve unofficial payments of small sums to public officials for services to which the payer is already entitled even without the payment in order to obtain routine and non- discretionary government actions such as granting a permit or license, providing utility services, allowing or expediting the importation or exporting of goods, providing police protection, registering vehicles or loading cargo.

Brenntag has a zero-tolerance policy on facilitation payments as they may constitute a bribe. Consequently, no facilitation payments may be made under any circumstances.

6. Relationships with Third Parties

Brenntag will establish business relationships only with bona fide and reputable Third Parties. Third Parties in this Guideline refer to all agents or other intermediaries used to do business on behalf of Brenntag, such as to obtain orders and permits, including, but not limited to, sales representatives not on our payroll, sub-distributors, customs agents, lawyers and consultants.

Brenntag may be held accountable for acts of bribery or corruption engaged in by a Third Party acting on our behalf. Third Parties must act with integrity and in compliance with all applicable laws. The use of sales agents or intermediaries should be considered carefully on a case-by-case basis.

The following procedures must be followed before an agent /intermediary is engaged:

- The selection of an agent, who may be involved in acquiring customers, selling and marketing of products or who will be in contact with Brenntag's customers, suppliers or any public official, must be based on objective and verifiable criteria.
- A thorough due diligence review must be conducted and properly documented (checking of validity of company and services provided via Internet searches or other references such as commercial registers, financial statements, company brochures, ethical standards, etc.).

- Any fees or commissions to be paid to the agent or intermediary must be market-based and not unreasonably high and reflect the true value of the legitimate business services to be provided.
- A signed agreement must be obtained from all agents and intermediaries acting on our behalf. This agreement must describe in detail the services to be performed and our expectations in terms of performance, the requirements for invoicing, activity reporting and/or other written evidence of activity, the specific remuneration (amount or percentage, e.g. commission fee and the basis for its calculation and the timing of payments).
- A hard copy of this Guideline as well as Brenntag Supplier's Code of Conduct must be given to every agent or intermediary and an acknowledgement of compliance with these principles must be obtained from each sales agent or intermediary acting on our behalf (see Annex I as an example).
- Payments to agents or intermediaries should never be made in cash and only via documented payment methods, i.e. via a bank account in the service provider's name in its country of incorporation or organization. Payments in advance should be avoided as far as possible.

Any Third Party acting directly or indirectly on behalf of Brenntag, who engages in bribery or any other form of corruption, will be permanently disqualified from future assignments. Any existing contractual relationship with such Third Party will also be terminated.

7. Reporting and corrective measures

Employees and third parties are encouraged to report to your direct supervisor or the Regional Compliance Manager any instance or suspicion of non-compliance with this Guideline or any attempts to bribe you or other employees of the Brenntag Group.

Possible violations of laws or this Guideline may also be submitted confidentially via: compliance@brenntag.de or to the respective regional compliance e-mail address.

The Company will fully investigate any instances of alleged or suspected bribery.

Corrective measures and disciplinary action will be taken if warranted.

Brenntag SE
April 2016

Annex

To:

Name and address

(Date)

Dear [Name],

Please find attached our **Supplier Code of Conduct and Anti-Corruption Guideline**.

This guideline and code of conduct sets forth the fundamental principles of our conduct and the requirements for lawful, ethical and honest behavior by all Brenntag employees, subsidiaries, controlled entities and business partners around the world.

In order to maintain Brenntag's reputation, we expect each of our business partners to act in a lawful and ethical manner in strict compliance with the principles set out in the Supplier Code of Conduct and Anti-Corruption Guideline. Under no circumstances will Brenntag, its employees, subsidiaries, controlled entities and their business partners pursue any business opportunity which would require it to violate applicable laws or any of these principles.

Any violation of the law by our business partners could seriously harm Brenntag's reputation and result in significant damages and penalties and may have serious consequences for our business partners under civil or criminal law.

We require your written confirmation as proof of your agreement with the statements and general principles contained in our Supplier Code of Conduct and Anti-Corruption Guideline and evidence of your commitment to observe them in your day-to-day activities which will form the basis of our business relationship.

The undersigned hereby confirms that he/she/it has complied and will continue comply with the provisions of Brenntag's Supplier Code of Conduct and Anti-Corruption Guideline (to the extent applicable).

Signed:

Name:

Position:

Company:

Date:
