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Anti bribery and anti-corruption Procedure

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1. Background and purpose

We at Nordic Paper conduct our operations honestly and are committed to combatting all forms of bribery and corruption. We have zero tolerance towards bribery and corruption, and this is one of the fundamental principles on which we conduct business.

The purpose of this Anti-Bribery and Anti-Corruption Procedure is to provide support and guidance to the board of directors, employees and engaged personnel in order to avoid and prevent bribery and corruption. This Procedure shall also provide support and guidance to the external parties with which we co-operate, for example, suppliers, consultants, agents, distributors and other co-operating partners (hereinafter jointly referred to as "Business Partners"). However, the guidelines cannot be all encompassing and each individual is responsible for complying with all relevant laws and rules. Nothing can replace personal integrity and sound judgement.

This Procedure is a part of Nordic Paper's anti-corruption programme and should be read and understood together with other relevant documentation and guidelines which Nordic Paper adopts from time to time.

2. Procedure statement

2.1 Why is this important?

A person who commits an offence of bribery may be personally liable and subject to criminal sanctions, notwithstanding that the crime is committed within the course of employment. This applies to both employees of Nordic Paper and employees of our Business Partners. The criminal sanctions for an offence of bribery are fines or imprisonment for a period of not more than 2 years (if the crime is aggravated then the sentence may be a term of imprisonment of not more than 6 years).

In addition to the individual's personal liability, Nordic Paper and its Business Partners may also be seriously affected by bribery accusations. Any suspicion of bribery can result in expensive criminal and civil liability investigations, may damage the company's good reputation and trademark as well as result in fines.

Nordic Paper is entitled to take action against employees, board members and Business Partners who commit any crimes or act contrary to this Procedure. An employee of Nordic Paper who commits an offence of bribery risks a written warning or ultimately dismissal. Nordic Paper reserves the right to discontinue the co operation with any Business Partners who fail to comply with this Procedure.

2.2 Explanation of terms

What is meant by the terms "bribery" and "improper advantage"?

A bribe is a benefit which is given in order to influence the recipient's manner of performing his/her employment or engagement. Another term for a bribe is "an improper advantage" which, in such event, entails that the benefit is impermissible. This can be the case if the benefit is given to influence the recipient by engendering feelings of gratitude or an obligation to reciprocate, for example, by entering into an agreement with the giver. The person who receives the bribe may be convicted of the offence of "taking a bribe" and the person who gives the bribe can be convicted of the offence of "giving a bribe".

What types of benefits can constitute a bribe?

All forms of benefits can, strictly speaking, constitute a bribe. Examples of benefits which can be viewed as bribes are money, loans, securities, cheques, service, recommendations, gifts, paying for dinners and events – if they are given in the wrong way and for the wrong reason.

Where is the threshold for what is permitted?

As a general rule, attitude influencing benefits are permitted, whereas benefits influencing behaviour are impermissible. "Attitude influencing benefits" are benefits which are given in order to create or maintain good business relations (but they do not risk influencing the recipient's decision or manner in which he/she performs his/her duties). "Benefits influencing behaviour" are benefits which influence or risk influencing the recipient's duties or behaviour, for example, by buying products from the giver.

Does this mean that we are not allowed to give or receive anything at all?

No, there is no total prohibition against giving or receiving benefits. The important thing is that we are careful so that the benefit conferred cannot be deemed to be a bribe. In this case it is a question of exercising sound judgement and acting in accordance with this Procedure.

Is there any difference between bribes within the public and private sectors?

The offence of bribery can be committed both in the public and the private sector. This means that it may be considered to be a bribe even when a benefit is given from one private sector employee to another private sector employee. However, we should be particularly careful in relation to the public sector and employees at municipalities or state owned companies, since the assessment is more stringent for these categories of persons.

What does the term "facilitation payments" mean?

Facilitation payments are payments which are paid to a public official in order for that person to perform their work in a certain way. Examples of facilitation payments include when one pays a public official to expedite the handling of a certain matter concerning, for example, a permit, or one pays a customs official in order for the goods to clear customs.

What does the term "conflict of interest" mean?

The most common form of a conflict of interest is when an employee's personal interests are contrary to the company's interests. An example is when an employee is offered a new bicycle by a supplier in exchange for the employee procuring products from this particular supplier notwithstanding that they are more expensive than other suppliers' products. In such event, the employee has a personal interest in receiving the bicycle, but this interest is contrary to the company's interest in wishing to purchase products at the lowest price.

2.3 Nordic Papers anti-bribery and anti-corruption principles

Nordic Paper has a zero-tolerance procedure to bribery and corruption. This means that the following principles apply and should be followed by all employees, board members and Business Partners.

Nordic Paper prohibits all forms of bribery and corruption, including blackmail, facilitation payments, fraud and money laundering.

Nordic Paper shall not give, approve or pay bribes in order to receive or maintain business deals, or in order encourage or to reward a decision.

Nordic Paper shall not request, accept or receive bribes.

Nordic Paper does not provide money to Business Partners in order to encourage such persons to commit an offence of bribery on behalf of Nordic Paper.

Nordic Paper does not permit any forms of conflict of interest between personal interests and the company's interests. Within the course of employment, employees should always act in a manner which safeguards the employer's interests.

Gifts and other benefits shall only be accepted if they are of lesser value as well as in accordance with local legislation, this Procedure and accepted business practice.

Nordic Paper complies at all times with the laws and rules which apply to the markets where we conduct operations. We expect that our Business Partners act in the same way.

2.4 Warning flags

One way of preventing bribery and corruption is to learn to identify the risks. Corruption is an extensive problem and exists in all countries. Certain jurisdictions with weak institutions and limited legal security, entail particularly stringent challenges and will become more exposed to corruption. We must therefore act with particular care when we conduct business in these countries or when a large number of Business Partners are involved.

Employees and Business Partners should be particularly careful in the following situations. The list is not exhaustive but, rather, all employees and Business Partners must observe sound judgement and contact their immediate superior or contact person in the event there is any doubt.

Tenders and public procurements

There is a particularly high risk of bribery and corruption in connection with tenders and public procurements. This is due to the fact that bribes are often paid in order to secure a contract, circumvent the selection criteria, or to otherwise affect the public procurement to a party's advantage.

Contacts with public authorities

There is a particularly high risk of bribery and corruption in connection with contacts with public authorities, for example, in connection with supervision, inspections or the exercise of public authority. This is due to the fact that bribes are often paid in order to avoid any form of cautionary remarks, in order to obtain a permit or to expedite an administrative procedure.

Agreements

We must be careful when enter into agreements or negotiations, since it is often the case that a party is offered bribes or improper bonuses in order to choose a specific supplier.

Business Partners and intermediaries

Situations which involve a large number of business partners and intermediaries are usually deemed to be particularly exposed to risk. Accordingly, we should exercise particular care in situations where business partners and intermediaries request an unusually high amount as commission or unusual payment mechanisms.

Invoicing and procurement

We should be extra careful in relation to invoicing and purchasing in order to avoid false invoices and erroneous purchases.

2.5 Guidelines regarding benefits

This Procedure does not prevent employees who, within the scope of our business relations, receive and offer benefits in order to maintain and to promote good business relations with customers and Business Partners. However, this is on the assumption that the benefit is of a minor value and it does not risk affecting the recipient's conduct and is otherwise in accordance with this Procedure.

Remember that a benefit may be of all different types and have different values for the giver and the recipient. It is the benefit's value for the recipient which is decisive in relation to the assessment of whether a benefit is permissible or not. You should always contact your immediate superior or contact person at Nordic Paper in the event of any doubt.

Impermissible benefits shall be sent back to the sender together with a cover letter which explains the company's guidelines in relation to benefits.

2.5.1 What benefits are permitted?

Generally speaking, it is permitted to receive and offer the following benefits. However, you should always act with common sense and contact your immediate superior or contact person at Nordic Paper in the event of any doubt.

- Meals within the scope of the day to day operations which are offered to Nordic Paper's employees, or which Nordic Paper offers to customers and Business Partners in the private sector.
- Marks of respect in connection with specific events, public holidays, illness, etc., provided that such gifts are of a limited value.
- Samples or marketing material of insignificant value in connection with company visits and suchlike.
- Specific sporting, culture and similar events which Nordic Paper's employees are invited to or to which Nordic Paper invites customers and Business Partners in the private sector, provided that the total value is moderate and the arrangement occurs in connection with a visit or other professionally motivated meeting.

2.5.2 When should we be cautious?

You should exercise particular care in the following situations, since this is a grey zone. You should always act with common sense and contact your immediate superior or contact person at Nordic Paper in the event of any doubt.

- Benefits which are given on a regular basis to the same recipient.
- Expensive and exclusive benefits.
- Benefits which can be used for private purposes.
- Benefits which are given or received without the knowledge or approval of the manager in question.
- Benefits which are given in connection with ongoing or future business negotiations.
- Invitations to events which also cover family and friends.
- See section 2.6 concerning benefits which are offered to public officials.

2.5.3 What benefits are forbidden?

It is not permitted to receive or give benefits which, among other things, relate to the following. The list is not exhaustive and other benefits may also be impermissible depending upon the circumstances of the individual case. You should always act with common sense and contact your immediate superior or contact person at Nordic Paper in the event of any doubt.

- Money, securities or money loans.
- Personal payments in the form of discounts, bonus or commission/kickbacks.
- Private or holiday travel.
- Benefits which, due to their value or other relevant circumstances, may typically be viewed to influence the recipient's conduct of his or her duties (i.e. they are conduct influencing).

- Other benefits and arrangements which may generally be viewed as unethical or will entail negative publicity for Nordic Paper, for example, a visit to a porn club.
- See section 2.6 concerning benefits which are offered to public officials.

2.6 Public officials

It is strictly forbidden to give benefits to public officials who exercise public authority as part of their duties at a state or municipal authority. Similarly, it is prohibited to give benefits to public officials in order to influence the exercise of public authority by the person concerned, for example, in connection with inspections, supervision, investigations and suchlike. Nor are we permitted to give benefits to employees or consultants in relation to ongoing or recently concluded purchase or public procurement engagements for the public sector.

In addition, we should also exercise extreme care in relation to employees within the public sector and employees at municipalities or state owned companies (even if they do not exercise duties as part of the exercise of public authority) and preferably refrain from giving or receiving any benefits whatsoever to this category.

2.7 Who can you turn to for advice?

Employees and Business Partners have their own individual responsibility to understand and review this Procedure, including any amendments and guidelines which are adopted by Nordic Paper from time to time. All persons who are covered by this Procedure are entitled, and indeed encouraged, to seek advice from their immediate superior or contact person at Nordic Paper in the event they have any questions or if anything is unclear.

All persons who know or suspect any criminal conduct or breach of this Procedure are obliged to immediately inform their immediate superior or contact person at Nordic Paper. This obligation also applies if Nordic Paper is not directly involved in the conduct in question or is a party to the potential breach.

Nordic Paper protects employees who refuse to participate in criminal conduct or any breach of this Procedure. Nordic Paper also protects employees who report any suspicion of such breaches in good faith. Nordic Paper prohibits all types of threats or reprisals against employees who dare to raise the alarm in good faith even if the reported event following an investigation proves to be erroneous.

3. Audience

This Procedure applies to all employees and board members in all companies in the Nordic Paper group (hereinafter jointly referred to as “Nordic Paper”). This Procedure applies to all business areas and group functions in Nordic Paper and is applicable in all markets and jurisdictions in which we conduct business operations. Employees and board members shall act at all times in accordance with this Procedure when they represent Nordic Paper.

This Procedure also applies to Business Partners when they conduct business with Nordic Paper or represent or otherwise act on our behalf. Nordic Paper also expects Business Partners to ensure that this Procedure is complied with by the consultants, agents, subcontractors and other parties whom the Business Partners engage for the engagement in question.

4. Roles and responsibilities

CEO is the owner of this procedure. The CEO is responsible for all measures necessary for effective implementation of this Procedure and for regular review of its effectiveness. Managers at all levels are responsible for ensuring compliance and understanding of the Procedure within each department.

5. Exceptions

There are no exceptions to this Procedure. Any need of exceptions to this Procedure must be clearly defined and documented. All exceptions shall be approved by the Board of Directors.

6. Monitoring of compliance

Nordic Paper's principles against bribery and corruption are followed by all employees, board members and partners.

7. References

- Code of Conduct
- Supplier Code of Conduct