



# *Code of Conduct*

## Code of Conduct

### I. Operating in compliance with the applicable laws

EUMABOIS believes it is important that its activities are at all times carried out in accordance with the applicable laws, especially competition, anti-corruption and money laundering laws. EUMABOIS believes that business shall be conducted in an atmosphere of free and fair competition, i.e. based on performance, price and quality. EUMABOIS recognizes that competition law intends to stimulate free competition, something that has EUMABOIS's full support. EUMABOIS also fully recognizes and supports anti-corruption and money laundering laws. EUMABOIS feels it is important to confirm this by adopting a Code of Conduct. This Code of Conduct shall be binding on all Board members, European delegates, Auditors and Secretaries as well as on other Participants when taking part in activities of EUMABOIS. The Code of Conduct aims at providing clear rules to EUMABOIS's members, thus reducing the risk of improper conduct and consequently of fines being imposed.

### I. Competition Law

All Board members, European delegates, Auditors, Participants in EUMABOIS activities and Secretaries must comply with the applicable Competition Law (also known as antitrust law). Competition law is complex and differs from one country to another. Nonetheless, certain key principles are common to all jurisdictions.

A. **The following topics are prohibited** and out of bounds during meetings of bodies, committees, working groups or other forms of cooperation within EUMABOIS, particularly as far as information on these topics is exchanged between companies which might be considered as competitors:

Sale prices, rates, (intended) price adjustments, recommended prices, discounts, mark-ups and other price-related topics concerning products or services of member companies. Division/sharing of the market, e.g. by allocating a specific geographical area, specific customers or specific groups of customers to specific members; restriction of production or sales. Charging on offer costs of competitors in one's own offer. Exchanging market information by the individual members, i.e. information about production, turnover, sales, investments, divestments, R&D expenses and other information, as far as this is related to specific (categories of) products or services, that may be regarded as commercially sensitive and confidential information. Publishing of the average price or of the price bandwidth within the sector. Exclusivity for specific members to represent producers and importers. Boycotting specific suppliers or customers. Any other topic that could lead to coordination of market behaviour restricting competition. Pre-consultations between competitors when responding to invitations to tender (in tender procedures with both public and private purchasers). Agreeing that all competitors add a surcharge to their bid (which would then be used for "compensating" the bidding costs of those companies that would not win the tender).

B. **The following topics might, under certain circumstances, present a problem** from a competition law point of view, but especially in a highly concentrated, oligopolistic market (i.e. a market with only few players). This means, that these topics shall, at all times, be discussed only within the context of EUMABOIS in proper consultation with an expert in the field of competition law:

General terms and conditions of sale and delivery. If these pertain to sensitive competitive parameters (e.g. prices, rates, manner of indexation, on-charging specific costs) or if the use of the conditions is mandatory, the competition authorities may object. Restrictions on participating in trade fairs. As a rule, each company should be free to participate in any trade fair it likes and companies should not be asked to boycott any trade fair. Restrictions to this freedom to participate are allowed only under specific conditions. Collective bargaining by EUMABOIS delegates to obtain better prices or other conditions from the trade fair organisation does not constitute a problem under competition law. Schemes for recognition/ membership criteria. For as long as recognition or membership of EUMA-BOIS does not play a decisive part for the potential customer when choosing a product or service, there are no objections to this from a competition law point of view. As soon as the customer does find this important, however, these schemes must satisfy specific criteria. The secretariat of EUMABOIS is allowed, in principle, to collect commercial information about individual companies and to make this information available to the members in an aggregated manner. It must, in any event, be absolutely guaranteed, that no information on individual companies can be deducted from this aggregate information. In some countries the national competition authorities will only allow such statistics systems if the collected information can be qualified as sufficiently historical, e.g. (depending on the circumstances) presenting data of at least one year before, and/or if the information is made publicly available.

- C. **The following topics constitute the core business of most of EUMABOIS's activities and discussions and consultations on these topics do normally not present any problem under competition law**, provided that the topics mentioned under A. are not touched upon:

General cyclical economic data and business climate, as long as discussions on these topics do not relate to any individual company's behaviour. These discussions focus on the macro level and do not affect any company's behaviour in the market. Lobbying activities relating to general interests in the sector and concentrating on legislation and other public issues which may affect the sector. Labour law and social issues. These issues are considered to be irrelevant under competition law. Legal issues. These issues are by definition of a general nature, as these will affect any company's business to the same extent. Standardisation issues, if (i) the standard-setting procedure is transparent and open for participation by any interested party, (ii) there is no obligation to comply with the standard, (iii) access to the standard is provided on fair, reasonable and non-discriminatory terms, and (iv) any discussions within the standard-setting procedure are restricted to technical aspects. Standardisation is aimed at compatibility of products and at technical progress; this will normally be to the benefit of the end user. Safety and health issues. EUMABOIS has an interest in enhancing safety and health with respect to the use of the sector's products. Environmental issues. EUMABOIS has an interest in enhancing protection of the environment with respect to the use of the sector's products.

Core Procedures:

1. General Assembly, Meetings of Board, Working Groups or any other form of cooperation within EUMABOIS shall only take place after the members have been invited to the meeting in writing. The notice inviting to the meeting shall also include the agenda of the meeting.
2. Minutes shall be kept of each meeting as referred to in 1. above; these shall be sent to all members of the relevant body, committee, working group or other form of cooperation. The minutes shall be kept in an organised form for a period of at least 7-10 years.

3. Consultations and discussions during General Assemblies, Board Meetings, Working Group or other form of cooperation on the topics on the agenda and other topics, in which these are related to the market (i.e. topics that may be of interest for the position and for determining the position of the individual members in competition), shall be limited to the official meeting, of which minutes will be kept.
4. During the consultations as referred to in 3. above, it shall not be decided to discuss certain topics during the meeting subject to the condition that this will not be recorded in the minutes. If such condition should occur it is stipulated that the Chairman of the meeting shall refuse to proceed to discuss the topic in question.

## **II. Prohibition of corruption**

All Board members, European Delegates, Auditors and Secretaries are prohibited from demanding, accepting or accepting a promise for an unfair advantage either for the benefit of themselves or for third parties. It is prohibited to offer, promise or grant an unfair advantage to others.

In particular, it is prohibited to grant or accept advantages with the intention of unfairly receiving “something” in return, or unfairly rewarding past or future conduct, or that in terms of their nature and value are disproportionate to the purpose, reason, identity or circumstances of the recipient.

All lobbying activity (whether directly or through intermediaries) must be conducted without suggestion of bribery, conflict of interest or other improprieties. When using lobbyists, or when engaging former Public Officials, appropriate due diligence must be carried out, and compliance with all relevant legislation, guidance and/or codes is essential. It is not appropriate to engage serving Public Officials to carry out political advocacy on behalf of the EUMABOIS' Association.

## **III. Money Laundering**

All Board members, European delegates, Auditors and Secretaries are obliged do everything within their means to prevent EUMABOIS from being used as a conduit for money laundering. Money laundering is the process of hiding the source of money made through criminal activities, by channelling it through a legitimate business transaction. Money laundering involves the use of cash or other cash equivalents, such as money orders or traveller's checks, to pay for products or services. It is EUMABOIS policy to avoid payments in cash or cash equivalents.

## **IV. Avoiding conflicts of interest**

Business decisions must be made in the interests of EUMABOIS and its members. If private or personal interests of a Board member, European Delegate, Auditor and Secretaries conflict with the interests of EUMABOIS, there is a risk that business decisions may not be made impartially.

## **V. Commission, consultants, party political activities**

Commissions and bonuses paid to consultants, or any other external partner must be appropriate to the services provided and agreed upon in writing. Disproportionate commissions and bonuses are not permitted. If in doubt, clear proof of the company's activity or detailed information on the company receiving the commission must be obtained. As a

European association, we do not participate either directly or indirectly in political activities. In any case, all Board members, European delegates, Auditors and Secretaries must comply with applicable laws and regulations relating to political donations to candidates for public office, individual politicians, political parties and other political organizations. It should be noted, that restrictions on political donations might apply, for example, to campaign contributions, loans, the provision of facilities or services and/or the publication of election material. Political donations must not be made for influencing Public Officials or in exchange for obtaining or retaining business or other improper advantage for the benefit of EUMABOIS (or for the improper advantage of you or any other entity or person).

## **VI. Political organizations and associations of vested interests**

EUMABOIS may engage with political organizations/committees in a transparent manner correctly representing its own views on relevant issues and themes.

EUMABOIS can maintain relations with trade associations, environmental organizations and similar associations with the objective of developing its own activities, establishing reciprocally beneficial forms of cooperation presenting its own views.

## **VII. Gifts and benefits**

No gifts are allowed which may be construed as exceeding the norms of commercial practice or courtesy, or which may be used to obtain favourable treatment in the conduct of any activity connected with EUMABOIS. EUMABOIS abstains from any practices that are not permitted by law, by commercial practice or by codes of ethics, if noted, by companies or bodies with which it has a relationship. In any event, the issuing of gifts by EUMABOIS – except for those of modest value – can only be made in compliance with the rules stipulated below:

- a. Under no circumstances are gifts allowed to be made to persons involved in Public Administration, Public Officials, persons engaged in public service or Public Servants;
- b. Circumstances in which gifts are intended for persons not covered by sub-category a), the offer of a gift must be:
  - expressly and beforehand approved by the President
  - documented in an appropriate fashion in order to allow the necessary checks required.

## **VIII. Transparency in every transaction and activity**

Every transaction and activity must be legal, authorized, consistent, documented, verifiable and compliant with the principles allowing to be traced and with Association's procedures, in accordance with the criteria of prudence and the protection of the interests of EUMABOIS:

- a. Procedures must allow the implementation of checks on transactions, on the authorising processes and the execution of the said transaction;
- b. All Board members, European delegates, Auditors, Secretaries, and Business Partner who carry out transactions involving sums of money, goods or any other asset of economic value belonging to EUMABOIS, must provide in a reasonable fashion the necessary evidence to allow the said transactions to be subjected to checks.

## **IX. Keeping data safe**

As an organization, EUMABOIS processes personal data from numerous people, including members (potential, current and former), suppliers and other persons. All Board members, European Delegates, Auditors and Secretaries are committed to keep personal data confidential and secure and in compliance with applicable data protection laws. Personal data includes many types of information about individuals, including birthdates and birthplaces, non-business phone numbers, residential addresses, benefits and compensation information, performance records, government-issued identification numbers and banking information. As a rule, if the information can be used by itself or in combination with other information to identify, directly or indirectly, an individual, it is considered “personal data”. Persons in charge for collecting, gathering, processing, storing, using or sharing personal data must make sure that they follow all applicable data protection laws.

## **X. Protecting Intellectual Property and Trademarks**

Intellectual property (“IP”), including the protection of EUMABOIS trademarks, are the foundation of the protection of EUMABOIS brands against look-a-likes and counterfeits. Board members, European delegates, auditors and secretaries have to help EUMABOIS to enforce its IP rights.

EUMABOIS Board, (Hanover, May 21, 2017)