

ASSA ABLOY

Group Policy Document

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ASSA ABLOY ANTI-BRIBERY POLICY

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ASSA ABLOY

Stockholm, 1 November 2011

Dear Colleague,

ASSA ABLOY is committed to growing its business and conducting itself in accordance with the highest ethical standards and in compliance with all applicable laws. We have zero tolerance for conduct that violates the law. We would rather lose a piece of business than obtain it illegally.

All ASSA ABLOY employees must comply with ASSA ABLOY's Anti-Bribery Policy (the "**Policy**"), any more detailed procedures within their relevant Division, and all applicable laws on bribery. Additionally, we expect all companies and individuals engaged to act for or on behalf of ASSA ABLOY to comply with the Policy. Where a law conflicts with the Policy, the more stringent measure should prevail.

It is each individual's responsibility to understand and follow these measures. Failure to do so may result in disciplinary action up to and including termination of employment.

If any uncertainty arises, or if you know of any conduct that you believe is improper, you should raise the issue with your manager, Compliance Officer at your Division, Group Legal, or through the Code of Conduct whistleblowing function. ASSA ABLOY will not tolerate any form of retaliation against somebody that does so in good faith. The Compliance Officer of each Division is posted on keyPoint.

Best regards,



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President and CEO

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ASSA ABLOY Anti-Bribery Policy

1. Overview

This ASSA ABLOY Anti-Bribery Policy (the "**Policy**") prohibits employees of "**ASSA ABLOY**" (ASSA ABLOY AB and its subsidiaries in each Division) from making or approving any offer, promise, payment, or gift of anything of value to any individual, with an intent to improperly influence a decision by the individual. The Policy is intended to supplement and expand on the ASSA ABLOY Code of Conduct (the "**Code of Conduct**"). Because the Code of Conduct and the Policy cannot address all local legal issues in all countries in which ASSA ABLOY operates, where a law conflicts with the Policy or the Code of Conduct, the more stringent measure prevails. ASSA ABLOY has zero tolerance for non-compliance.

1.1 Introduction

Anti-bribery laws generally prohibit the corrupt giving of something of value to an individual or Official (defined below) to obtain or retain business or an improper business advantage. These laws cover both bribery of government officials and employees ("official bribery"), and of individuals at companies with which we do business ("commercial bribery").

One area of focus of the Policy is interactions with Officials. An "**Official**" is any government official or employee, political party, party official, or political candidate, or any person acting for or on behalf of any such person, in any country. An "Official" includes any individual who: (a) holds a legislative, regulatory, or judicial position; (b) is a director, officer, or employee of an entity owned or controlled by a government; or (c) is an official or employee of a public international organization.

Severe penalties can be imposed on ASSA ABLOY as well as any employee involved in violating any anti-bribery law, including imprisonment, fines and other penalties.

1.2 Key Messages

- **Everyone must comply.** The Policy applies to all employees of ASSA ABLOY. Violations may result in discipline up to and including termination of employment and severe penalties can be imposed, including imprisonment.
- **Entertainment and Gifts.** Entertainment and gifts – whether given or received – should be limited in value, for a business purpose, well-documented, and reasonable. Expenses involving Officials should be closely monitored.
- **Business Representatives.** ASSA ABLOY could be held liable for the acts of its Business Representatives (defined in Section 4 below). Thus, Business Representatives should be carefully reviewed and used only for legitimate business purposes, on arms-length commercially reasonable terms. Those engaged to act for or on behalf of ASSA ABLOY are expected to comply with the Policy.

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- **Discounts, Rebates, Commissions and Bonuses.** Excessive price concessions and compensation can be used to facilitate bribery. The terms of these arrangements should be in writing and should be commercially reasonable.
- **Facilitation Payments.** ASSA ABLOY does not pay facilitation payments.
- **Political and Charitable Contributions.** ASSA ABLOY does not make political contributions. Charitable contributions must be for a legitimate purpose.
- **Recordkeeping.** All expenses, including entertainment, travel, and gifts, must be promptly and accurately documented.
- **Reporting.** ASSA ABLOY has zero tolerance for violations of this Policy or applicable law. Any actual or potential violations must be reported to your manager, Compliance Officer, Group Legal, or through the Code of Conduct whistleblowing function.
- **Questions.** If you have any questions or concerns about this Policy or compliance with it, consult with your manager, Compliance Officer, or Group Legal.

2. Providing Entertainment and Gifts

ASSA ABLOY will pay for occasional modest business entertainment expenses and gifts. Under certain circumstances, ASSA ABLOY will cover the cost of travel (transportation, meals, and accommodation) for non-employees of ASSA ABLOY.

Key Message: Excessive entertainment and gifts can be a form of bribery. These expenses should be limited in value, for a business purpose, well-documented, and reasonable. Expenses involving Officials should be closely monitored.

Some practical *do's* and *do not's* are listed below, followed by category-specific guidelines.

- *Do* have a clear, legitimate, business purpose for the expense.
- *Do* ensure the expense is reasonable in value and consistent with usual business practice.
- *Do* avoid activities that may raise even the appearance of impropriety.
- *Do* obtain any necessary approvals from your manager or Compliance Officer.
- *Do not* provide entertainment, travel, or gifts with the intent that the recipient will in return enter into a specific business transaction or make a specific decision.
- *Do not* include spouses or family members unless it is appropriate under the circumstances and customary to do so.

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- *Do* prepare an expense report indicating the names of persons or entities involved, the business purpose, and any other relevant information to accurately describe the expense, including an itemized receipt.
- *Do not* provide entertainment, travel, or gifts to a former Official if it might appear to be as a reward for the Official's services while an Official.
- *Do not* provide entertainment, travel, or gifts to a person whom you know or believe may in the future become an Official, if it is intended or might appear that the expense is provided to influence the person's actions once they become an Official.
- *Do not* provide entertainment, travel, or gifts to a close relative of an Official when it is intended or might appear that it is provided to the relative in an effort to influence the Official.

2.1 Providing entertainment

- *Do* have an ASSA ABLOY employee present at the event.
- *Do* seek prior approval of your Compliance Officer for entertainment expenses in accordance with the procedures set by your Division. This includes meals, sport event invitations, theatre tickets and similar events, and entertainment that requires travel or accommodation.

2.2 Giving gifts

- *Do* select gifts of modest value, preferably with the ASSA ABLOY name or logo.
- *Do* seek the prior approval of your Compliance Officer for gifts to an individual in accordance with the procedures set by your Division.
- *Do* seek guidance from the Compliance Officer regarding national holidays or festivals, such as Chinese New Year, or other special circumstances where people traditionally exchange gifts among business contacts.
- *Do not* give a gift to a recipient with whom ASSA ABLOY is involved in any active tender for business.
- *Do not* provide gifts of cash or cash equivalents, except with the prior written approval of your Compliance Officer.

2.3 Travel expenses

- *Do* limit travel expenses to a reasonable amount in accordance with the procedures set by your Division.
- *Do not* provide "per diem" (funds for daily expenses).
- *Do* pay vendors (airlines, car services, restaurants, hotels, etc.) directly rather than reimbursing the individual, if feasible.

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- *Do not* provide for luxury expenses (e.g., first class airfare), leisure components (such as a side trip or separate visit to a resort), or travel expenses of spouses and other family members.
- *Do* ensure, if the individual travelling is an Official, that his or her employer is notified, has approved the travel, and that the expenditures are permitted by local law.

3. Receiving Entertainment and Gifts

ASSA ABLOY permits its employees to receive *entertainment* from customers and suppliers that is reasonable, customary, related to a legitimate business purpose. Generally, gifts should not be accepted, except in situations like those described in Section 3.2.

Key Message: Receiving entertainment and gifts from customers or suppliers can unduly influence an individual's corporate duties. These benefits should be limited in value, for a business purposes, well-documented, and reasonable.

Practical do's and do not's about receiving entertainment and gifts are detailed below.

3.1 Receiving entertainment

Receiving entertainment refers to any situation in which an ASSA ABLOY customer or supplier provides food, travel, leisure activities, or other entertainment to an ASSA ABLOY employee.

Do not accept entertainment if:

- It is extravagant or too frequent.
- It does not primarily involve or relate to business activity.
- There is, or could be, an expectation that in return for being entertained you will agree on behalf of ASSA ABLOY to enter into a specific business transaction or make another specific decision.

3.2 Receiving gifts

Receiving a gift refers to any situation in which an ASSA ABLOY customer or supplier provides anything of value, other than entertainment, to an ASSA ABLOY employee.

- *Do not* accept a gift from a customer or supplier unless an exception below applies.
- *Do* report the offer or provision of a gift to your manager or Compliance Officer.
- *Do* consider accepting the following gifts if appropriate in light of common sense:

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- Items of modest value given to numerous individuals.
- Small token gifts.
- Flowers or simple gifts offered on an occasion when social custom demands it.
- Do seek prior approval of your Compliance Officer when it is difficult to decline a gift in light of transactions with a customer or when a gift cannot be returned, such as something bearing the name of an individual.

4. Business Representatives

ASSA ABLOY employs Business Representatives (defined below) to perform a variety of services. They must be selected with care and are expected to comply with the Policy and the Code of Conduct.

Key Message: ASSA ABLOY could be held liable for the wrongdoing of its Business Representatives. Thus, Business Representatives must be carefully reviewed and used only for a legitimate business purpose, on arms-length commercially reasonable terms. Those engaged to act for or on behalf of ASSA ABLOY are expected to comply with the Policy.

"Business Representatives" include agents, brokers, representatives, consultants, distributors, lobbyists, service providers, and any other person engaged or instructed to act for or on behalf of ASSA ABLOY (a) in making sales or developing business, or (b) in dealing with any government or Official.

Before using a Business Representative:

- Do conduct due diligence on a potential Business Representative sufficient to identify relevant risk factors.
- Do impress upon them that ASSA ABLOY has a culture of adherence to the highest ethical standards and compliance with all applicable laws.
- Do consult ASSA ABLOY's Procedures on Anti-Bribery Review of Proposed Business Representatives.
- Do use ASSA ABLOY's Standard Anti-Bribery Clauses for Agreements with Business Representatives in the written agreement.
- Do seek guidance from your Compliance Officer if needed.

5. Discounts, Rebates, Commissions and Bonuses

ASSA ABLOY offers concessions, including discounts or rebates, to customers in some cases. It is customary to offer discounts directly to customers or indirectly through a

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Business Representative. Similarly, ASSA ABLOY may agree to pay a Business Representative a percentage-based commission, success fee, or bonus. These arrangements should be in writing and should be commercially reasonable.

Key Message: Excessive price concessions and compensation can be used to facilitate bribery. The terms of these arrangements should be in writing and should be commercially reasonable.

Some practical *do's* and *do not's* are:

- *Do* seek prior approval from your manager or Compliance Officer before offering or agreeing to provide any concession.
- *Do not* provide any concession except pursuant to a program that has been approved by your Division.
- *Do* use a written agreement.
- *Do* ensure that concessions are commercially reasonable under the circumstances.
- *Do* require that concessions provided by ASSA ABLOY to a Business Representative are in return for legitimate, documented services actually provided by the Business Representative.

6. Facilitation Payments

Key Message: ASSA ABLOY does not pay facilitation payments.

ASSA ABLOY does not pay so-called facilitation or grease payments. These are typically small payments made to Officials to expedite or secure performance of routine governmental action, such as obtaining routine official documents or approvals. It is not a facilitation payment, and is not prohibited, to pay legitimate documented fees to a government agency, such as permit application fees paid to a government licensing office. If you are solicited for a facilitation payment you should consult your manager, Compliance Officer, or Group Legal.

7. Political and Charitable Contributions

Key Message: ASSA ABLOY does not make political contributions. Charitable contributions must be for a legitimate purpose.

ASSA ABLOY does not make political contributions. Individual participation in politics, including donations to political campaigns, political parties, party officials or political candidates, or public international organizations, must not involve the use of ASSA ABLOY's funds, time, equipment, supplies, facilities, brand or name.

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ASSA ABLOY supports charitable groups for legitimate purposes. Donations must be aimed to benefit society and in a manner that demonstrates corporate social responsibility. No donations shall be made with the express or implicit requirement to use or purchase any ASSA ABLOY product.

8. Books and Records

Key Message: All expenses, including entertainment, travel, and gifts, must be promptly and accurately documented.

All ASSA ABLOY expenses, including entertainment, travel, and gifts, must be promptly and accurately documented according to the accounting and financial policies and procedures of the ASSA ABLOY Group and of the relevant Division. Documentation of expenses should include the business purpose, cost, and recipient.

9. Mergers and Acquisitions

Anti-bribery compliance must be considered in all M&A transactions. ASSA ABLOY's M&A Policy and M&A Guidelines detail ASSA ABLOY's policy for these transactions. Additionally, refer to the anti-bribery items in the legal due diligence request list.

10. Roles and Responsibilities

Key Message: The Policy applies to all employees of ASSA ABLOY.

Specific responsibilities are detailed below.

10.1 All employees

All employees are responsible for compliance with the Policy and applicable laws. All actual or potential violations of the Policy or applicable law must be reported.

If you have any doubt about your responsibilities or questions or concerns about a business practice that may violate the Policy or applicable law, you should consult your manager, Compliance Officer, or Group Legal.

10.2 ASSA ABLOY Divisional Management

ASSA ABLOY Divisional Management is responsible for implementing this Policy. Managers should examine their area of the business and identify areas of heightened risk for violations. Common areas of risk include: business involving Officials or a regulatory process, sales to government agencies or government-owned entities. Certain countries also impose a higher risk than other countries.

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10.3 Compliance Officers

The Compliance Officer of each ASSA ABLOY Division is responsible for implementing procedures reasonably designed to make employees aware of this Policy and applicable law. The Compliance Officer of each Division reports, in its role as Compliance Officer, to the General Counsel of ASSA ABLOY AB ("Head Compliance Officer"). The Compliance Officers are posted on keyPoint.

11. Disciplinary action; Reporting violations

Key Message: ASSA ABLOY has zero tolerance for violations of this Policy or applicable law. Any actual or potential violations must be reported to your manager, Compliance Officer, Group Legal, or through the Code of Conduct whistleblowing function.

Any participation in a violation of this Policy or applicable law (including retaliating against an employee who has in good faith reported a potential violation) will be grounds for disciplinary action up to and including termination of employment. ASSA ABLOY has zero tolerance for bribery.

Any actual or potential violation of this Policy or applicable law must promptly be reported to your manager, Compliance Officer, Group Legal, or through the Code of Conduct whistleblowing function as detailed in Appendix 1 of the Code of Conduct (code@assabloy.com or Code of Conduct function, ASSA ABLOY AB, Box 70340, SE-107 23 Stockholm, Sweden).

12. Anti-Bribery Training

Each Division shall provide appropriate training to its employees, as needed, on the Policy and on applicable laws. At a minimum, the training should:

- Provide sufficient knowledge of the Policy and applicable law;
- Raise awareness of situations in which a manager or a Compliance Officer should or must be consulted and how to do so;
- Emphasize that violations of the Policy or of applicable law may result in disciplinary action up to and including termination of employment; and
- Be repeated as needed to remind individuals of their responsibilities and inform them of relevant developments.

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13. Certification

After you have read the Policy, you must read and sign the certification below.

By signing below, I certify that I have read and understand ASSA ABLOY's Anti-Bribery Policy and agree to comply with it.

- I understand that ASSA ABLOY is committed to conducting itself under the highest ethical standards and in compliance with all applicable laws. I understand that ASSA ABLOY would rather lose a piece of business than obtain it illegally.
- I am not aware of any unreported actual or potential violation of the Policy or of applicable anti-bribery laws.
- I will promptly report any actual or potential violation of the Policy or of applicable anti-bribery laws.
- I have taken part or will take part in anti-bribery training that has been scheduled for me.
- If in a management position, I will inform my team about the Policy, have them trained on the Policy, and ensure that they agree to comply with it.

I, the undersigned, agree with the above statements.

Date

Signature

Name and title