

BWSC reacts promptly to breach of the company's code of conduct and supposed corruption

On 27 July 2018, *Burmeister & Wain Scandinavian Contractor* (BWSC) informed in a press release that the company had initiated a legal investigation and engaged the law firm Poul Schmith (Kammeradvokaten) due to an anonymous tip-off from a whistleblower.

The investigation conducted by the law firm Poul Schmith is finalised and concludes that certain employees in BWSC have violated the company's code of conduct for cooperating with local advisors and contractors in connection with sale of projects in Africa. Furthermore, the investigation gives reason to suspect that some employees may have contributed to bribery.

According to the investigation by the law firm Poul Schmith, the actions have been carried out by certain employees in one department in BWSC. On the recommendation of the law firm, Poul Schmith, BWSC has decided to act promptly towards the involved employees and as of today, BWSC has evicted five employees for violating the company's code of conduct. Besides the evictions, two persons have been reported to the Danish police for being the key to the actions.

Nikolaj Holmer Nissen, CEO at *Burmeister & Wain Scandinavian Contractor*, says:

"BWSC has zero tolerance for any kind of business practice that violates the company's code of conduct or involves criminal actions. Hence, we immediately requested an external law firm to do an in-depth investigation of the matter and on the recommendation of the law firm, we have reacted promptly.

We have evicted five employees who have been involved in the actions. Furthermore, two persons have been reported to the Danish police since the investigation gives reason to suspect that criminal actions have occurred, including bribery.

During the past years, BWSC has strengthened its efforts to ensure compliance with the company's code of conduct, which condemns any kind of corruption, by the management, employees and business partners. We have established a whistleblower line, conducted mandatory e-learning in anti-corruption for all employees and an external auditor annually conducts a review of BWSC's procedures in order to evaluate if BWSC complies with the code of conduct.

Yet, a small group of employees have managed to circumvent our code of conduct why we have immediately initiated a review of the company's compliance procedures to prevent violation of BWSC's code of conduct in the future. We must especially review the procedures in relation to cooperation with local advisors, agents as well as contractors. "

Background:

In April 2018, *Burmeister & Wain Scandinavian Contractor* (BWSC) received an anonymous tip-off from a whistleblower with allegations, which could give the perception that actions in connection with advisor agreements and contracts with local contractors have been entered into against the law. Therefore, an internal investigation was initiated, and to avoid any doubt, BWSC furthermore initiated an external investigation and engaged the law firm, Poul Schmith (Kammeradvokaten). Additionally, a press release was published informing that an investigation was initiated. The result of this investigation is finalised and the conclusion is that BWSC's code of conduct has been violated as well as possible breach of the law has taken place. Following the investigation, BWSC has reacted with evictions and police reports.

In case of questions:

Contact Nikolaj Holmer Nissen, CEO via Susanne Robdrup Rørbæk, srr@bwsc.dk or phone +45 48 12 53 02

6 February 2019

Burmeister & Wain Scandinavian Contractor A/S

Gydevang 35 | DK-3450 Allerød | Danmark
Telefon: + 45 4814 0022