



Compliance Manual

Our Code of conduct and our rules

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What is compliance?

„Compliance“ means abiding by laws and rules. The ZOELLER Compliance Organisation helps to explain rules, to comply with them on a day-to-day basis to monitor them. In this way we can reduce potential risks to a minimum.

THINKING and **ACTING**
responsibly

Breaches of laws/rules

In everyday work and business, we encounter a variety of risks that can mean a violation of the law.

Risks:

Harmful employee behaviour

- Theft
- Betrayal of secrets
- Fraud
- Non-business related offences

Purchasing

- Bribery
- Infidelity

Sales

- Corruption
- Antitrust law
- Foreign trade law
- Contract awards
- Tax evasion

Organisation

- Early risk identification
- Intervention
- Reporting and documentation obligations
- Supervision

Consequences:

If we violate **laws and rules**, our company and/or our employees face both civil and criminal consequences:

• Fines

Fines, damages and punitive damages

• Penalties for company ZOELLER

Exclusion from orders, termination of business relationships, blackmail attempts, damage to image, negative assessment on the capital market

• Penalties against our employees and/or managers

Prison sentences, dismissal

And who does it concern?

Compliance concerns us all.

- All employees, trainees, interns and temporary workers
- Superiors, management, shareholders
- Customers and suppliers
- Banks and funders
- Government and authorities
- Auditors and tax auditors
- Other business partners



Our Compliance Organisation

„The employees of the KIRCHHOFF Group undertake to always act in accordance with the applicable national and international guidelines and conventions on business ethics and social responsibilities.“

GUIDELINE of the KIRCHHOFF Group



Guideline of the KIRCHHOFF GROUP



Code of conduct (from page 8)



Manual

Employee declaration

Compliance Hotline:

 **06131 887-270**

Compliance box:

 **compliance@zoeller-kipper.de**



Code of Conduct

Preamble

This code of conduct is based on the corporate values of KIRCHHOFF Ecotec GmbH, which form the basis of our company culture. These values influence our day-to-day behaviour.

The present code of conduct is a concrete supplement to them.

The code of conduct does not claim to be exhaustive. This means that there will always be a series of situations, where the guidelines are not sufficient and where the employees must rely on company values and common sense, or must ask for advice. This code of conduct applies to KIRCHHOFF Ecotec GmbH and the companies of the ZOELLER Group, FAUN Group, SuperiorPak, FARID Group and HIDRO-MAK and forms an umbrella for all other KIRCHHOFF Ecotec gui-

delines. Die KIRCHHOFF Ecotec GmbH expects all employees at all levels and all individuals who operate in the name of KIRCHHOFF Ecotec, ZOELLER, FAUN, FARID, SuperiorPak and HIDRO-MAK, such as commercial agents, consultants and other business partners, to comply with the code of conduct.

If local laws or internal regulations provide more comprehensive guidelines with respect to KIRCHHOFF Ecotec GmbH than the guidelines given in the code of conduct, these take priority and must be observed. It is the **employee's responsibility** to know and understand this code of conduct and the laws that apply to carrying out his/her work activities, and to observe the letter and spirit of these provisions. All managers at KIRCHHOFF Ecotec



Elements of the Code of Conduct

Group set an example by behaving in compliance with the code of conduct. Managers are obliged to inform the employees under their supervision about the code of conduct and to support and monitor them in their compliance with the code of conduct.

All employees are required to take immediate action, if they are confronted with a breach of this code of conduct. Such cases can be reported to the employee's immediate supervisor or to members of the ethics committee.

If you have any questions or advice regarding the content, interpretation or implementation of this code of conduct, please contact your immediate supervisor.

Lack of compliance with this code of conduct will not be tolerated and may lead to disciplinary measures being taken by the employer.

Code of Conduct

Company integrity (Integrity)

Bribery and corruption

(Fraud and Corruption)

We do not offer, pay or accept bribes or irregular payments or behave in any corrupt manner, either directly or through a third party.

Company assets

(Secure the Assets of the Company)

We respect and protect both the material and immaterial property and funds of KIRCHHOFF Ecotec GmbH and do not use them for unlawful purposes. We think long-term in our business ventures. Our objective is to increase company assets.

Gifts and entertainment

(Gifts and Invitations)

We ensure that work-related gifts, meals or entertainment are appropriate and we do not offer or accept them if they could unduly influence a business decision or compromise our independence or judgement.

Conflict of interest

(Conflict of Interest)

We try to avoid situations in which our personal interests or actions may conflict with, or appear to be in conflict with the objectives of KIRCHHOFF Ecotec GmbH.



Competition

[Competition]

We are committed to intelligent competition, based on price, quality and service, and only seek a competitive advantage through legal means. We enter into competition with the objective of increasing the assets of the entire company KIRCHHOFF Ecotec GmbH.

Communication and reporting

[Communication and Reporting]

We provide information about the company in a prompt and accurate manner. We provide information that is objective and does not mislead. We ensure that our financial reports and any other reports and records are complete and correct. We ensure that we have an honest, transparent and reliable reporting system - both in the case of internal and external communication.

Confidential information

[Confidential Information]

We keep confidential information safe and prevent it from falling into the wrong hands. We respect the property rights of internal and external business partners.

Third parties, commercial agents and suppliers

[Third Party]

We only enter into contracts with commercial agents, representatives of third parties or suppliers if their standards of conduct comply with our code.

Code of Conduct

People

Diversity, fair treatment and labour standards

(Diversity, Variety, Standards)

We treat all people equally and we accept differences. We comply with labour standards and respect the freedom of association.

Human rights

(Human Rights)

We protect human rights and uphold them.

Privacy

(Privacy)

We respect and protect the privacy of every individual and comply with the laws on data protection and safeguarding privacy.

Herassment and discrimination

(Discrimination)

We do not tolerate herassment of or discrimination directed against the people who work for or with us.

Health and safety

(Health & Safety)

The health and safety of the people who work for or with us is our top priority.

Social Responsibility

Environment

(Environment)

We are committed to protecting the environment and assume responsibility for constantly improving environmental protection.

Quality

(Quality)

We maintain high standards in terms of quality and product safety and we are committed to manufacturing products that meet the highest quality and safety standards.

Customers

(Customer Focus)

We always treat our internal and external customers with respect. Our primary aim is to satisfy both our internal and external customers in terms of quality, cost and service. We continuously work to improve internal and external customer satisfaction.

Technology

(Technology)

We develop innovative products, technologies and processes which serve the interests of society.

Social responsibility

(Social Responsibility)

We respect the community around us, we get involved in social issues, participate in public debates and pursue an active dialogue with our shareholders.

Lobbying and sponsoring

(Sponsoring)

We take part in legitimate activities that are part of national and international policy development. Our sponsoring is transparent.

Our rules

How to behave in everyday work.

Invitations

- Value limits: we refer to the current payroll tax regulation
- A hospitality voucher must be completed for each hospitality event and submitted with the invoice *(signed off by supervisor and posted by Financial Accounting)*
- Business partners may only be invited if this does not influence the awarding of the contract

Give and accept gifts

- Value limits: we refer to the current regulation of the tax authority / tax office
- Gifts may only be given or accepted if this does not influence the awarding of contracts
- Gifts from supply companies become part of the employee raffle or company property
- Cash gifts are forbidden and must be rejected as a matter of principle

Why there are Compliance Rules:



UK BRIBERY ACT: *If a company has committed an act of bribery, the company's senior management can be held responsible, even if they are not perpetrators. A manager is always responsible for the act of bribery if the company consented to the commission of the act or at least tolerated it. The fine can be unlimited! Prison sentences are not excluded!*

Issue and accept other invitations (e.g. events)

- Value limits: we refer to the current regulation of the tax authority / tax office
- Invitations may only be issued or accepted if this does not influence the awarding of contracts

Proper bookkeeping and accounting

We comply with our obligations under commercial law:

- We keep our books clean and verifiable
- We pay attention to proper vouchers
- We meet our payment obligations
- We have ourselves audited by an independent auditing firm
- We maintain transparent internal reporting

In order to avoid mistakes and to be able to make appropriate decisions, we pay attention to the *(Segregation of duties)* and practice a strict dual control principle for all key processes



SARBANES-OXLEY ACT: *US federal law designed to improve the reliability of corporate reporting in response to accounting scandals.*

The Act applies to US and foreign companies whose securities are traded on US exchanges, whose equity securities are traded over-the-counter in the US, or whose securities are offered to the public in the US, as well as to their subsidiaries.

Our rules

How to behave in everyday work.



IT

Each employee shares responsibility for maintaining and protecting data, files, and software and hardware from the company. This also applies to any electronic data or files sent by him. Retrieving or distributing content that does not comply with the law is absolutely prohibited. In case of any abnormalities please contact the IT department.

Recruitment process

In accordance with the General Equal Treatment Act (AGG), we do not give preference to applicants of a particular gender, age, nationality or close relatives. All application documents go through the same procedure.

Child labor

We always adhere, without exception, to the currently valid regulations of the Youth Employment Protection Act (JArbSchG) – for example, in the employment of trainee staff.

Export regulations

For dealer contracts, we use our contract template. Potential new dealerships must go through a due diligence process.

For broker contracts, we use our audited contract template; this includes a due diligence query.

For Letter of Authorization (LOA) we also use our tested contract template.

Participation in tenders

Invitations to tender must always be approved by the managing directors and authorized signatories and are issued exclusively in compliance with the legal regulations listed in each case.



Bid agreements...

... with third parties are excluded.

Design and development

We always develop and design according to valid rules, standards and norms and the current state of the art.

The disclosure of documents worthy of protection to third parties is strictly regulated.

Procurement

Our current procurement policy applies to all procuring activities.

Quality management

When processing warranty claims, we adhere to the statutory requirements or the terms and conditions agreed in individual contracts. We are audited and certified according to DIN EN ISO 9001:2015.



Cigarettes

Smoking is not working time. All employees must clock out. Smoking is permitted only in the smoking areas.

Alcohol

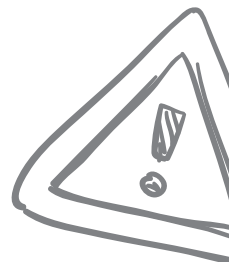
It is not permitted to consume alcohol on our business premises (except for company parties).

Drugs

It is prohibited to consume, dispense, trade or manufacture drugs.

Criminal behaviour...

... such as theft, discrimination, insult, harassment, fisticuffs and slander, as well as wanton damage to company property and the property of other persons, is absolutely prohibited! Depending on the severity of the offense, the consequences range from a warning to termination without notice.



Important notes at the end

Conspicuities and violations of one or more of these rules must be reported to the Compliance Department.



06131 887-270



compliance@zoeller-kipper.de



Concealment of an conspicuity is also considered a breach of the rules!

Detected cases with criminal relevance are immediately forwarded to the relevant law enforcement agencies.



MZ-ZK 165

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