

# Code of Conduct of VAHLE Group

## *Preamble*

### **Ethical and responsible principles must guide our actions**

We all are ambassadors of our Company: VAHLE GROUP. Therefore it is of utmost importance that we present ourselves with exemplary conduct to the outside world.

Our Code of Conduct serves our Principals, Advisory Board, Management and Employees as a guide for honest, fair and reliable interaction with our business partners on the basis of our clearly defined Company philosophy.

All our daily efforts aim at these goals: supply our customers with high-quality products and offer extraordinary service to fulfill their expectations and requirements.

The demand, to gain and retain the trust of our customers with absolutely impeccable behavior, goes to us all.

Let us work together on the continual success of VAHLE Group by fostering ethical and responsible conduct.

Yours,

**Achim Dries**

CEO VAHLE GROUP

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## I. Fundamentals

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VAHLE GROUP business culture places extraordinary value on the observance of solid business-ethical principles. **Responsibility** towards customers, employees, principals and the public is the central pillar supporting all actions of VAHLE GROUP employees.

Moreover, the **reputation** of the VAHLE GROUP and the trust of our customers, our principals, our employees and the public are decisively dependent upon the actual behavior of each employee. **Every one of us** must contribute so that the Company may fulfill the described responsibility and the positive expectations, which our customers and the general public have.

The Code of Conduct contains **standards**, which are valid for all employees of the VAHLE GROUP. It will help to deal with daily arising legal and ethical challenges, to provide orientation and thus to retain and strengthen trust in the integrity and performance of VAHLE GROUP. To the extent of our possibilities, we encourage and support our **business partners** to introduce and implement similar guidelines.

VAHLE GROUP expects of all employees and business partners business behavior beyond reproach. No behavior is will be tolerated which could give rise to suspicion of promoting, abetting or even committing corruption offense.

## II. Conduct towards customers and suppliers

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We carry a responsibility with regard to our customers and suppliers; for both we create value. We rely on both, but we also rely on open competition. One sided preferential treatment based on personal 'advantage' contradicts fair competition.

#### 1. Fair competitive behavior

A fair number of national and international regulations govern the sale products and services. Each and every employee is obligated to adhere to all laws and regulations. It is of absolute importance that all employees make certain that fair competition will not be impeded.

Fair competition ensures that all participants may reach their full potential. Therefore, when competing for market share, the **imperative of integrity** must be followed. All employees are bound to follow the rules of fair competition. That is, **no employee is allowed** to engage in conversation with competitors where pricing or market behavior will be discussed with **intend to circumvent** fair competition. Agreements with competitors pertaining to renunciation of competition, submittal of fake proposals, dividing of customers, areas or production programs are forbidden and may be subject to punishment.

## *II. Conduct towards customers and suppliers*

### **2. Offering and granting advantages**

The VAHLE GROUP explicitly supports national and international regulations, which state that competition cannot be adulterated with bribes and corrupt behavior. Therefore, it is fundamental that:

Presents of any kind to executives or employees of a business, or any other entity, with the intent to receive orders or gain unfair advantages for the VAHLE GROUP or other persons, are inadmissible insofar as they exceed commonly accepted customs and practices. Inadmissible presents must be reported.

In any case, presents must be of a nature, which does not force the recipient to conceal these or push him/her into a position of **dependency**.

The reporting requirement does not include small customary business presents such as mementos and invitation to an appropriate lunch or dinner.

## *II. Conduct towards customers and suppliers*

Beyond that is required: **Business and private matters** must be strictly kept separate. Insofar that private contact to business partners exists, presents and invitations must be handled very carefully and must not be connected to an ongoing business transaction.

### **3. Demanding and accepting advantages**

Presents offered by business partners, such as invitation to trips, business meals or other events, are usually acceptable business practices when reasonable restraint is exercised. However, acceptance may result in **conflict of interest** and could harm the **reputation of our enterprise**. An impression of venality is easily created. Therefore, no employee is permitted to use his or her position or function in our Company to request, accept or otherwise obtain personal advantages.

The acceptance of **occasional presents** or invitations of reasonable value, in a socially relevant setting and conforming to business practices, are permitted. Presents and other advantages for oneself or a close acquaintance, which exceed reasonable limits, must be rejected. In such case, employees are required to **inform management** about the offer.

### III. *Conduct towards Customers and suppliers*

From a legal perspective, it is almost impossible to determine for every single case in advance whether the acceptance of an invitation or present constitutes corrupt behavior. In each case, the employee must use sound judgment, if doubt exists consult with management (in exceptional cases even after the fact).

As initial **orientation in questionable cases**, every employee should ask her/himself the questions below before accepting anything:

1. Is acceptance or granting a favor legal?

It also must not be illegal in the country where a subsidiary is located.

2. Would I violate the VAHLE GROUP Code of Conduct?

3. Would accepting or granting a favor have a negative impact on myself and would it be detrimental to the image of VAHLE GROUP?

4. Would I be embarrassed if others (colleagues, management, third persons)

would find out that I granted or accepted this favor?

5. How would a competitor evaluate my behavior?

Could I act differently without a problem?

If one becomes increasingly uncertain when answering these questions it is safe to conclude that the favor offered must be rejected.

### III. *Conduct among co-workers*

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We, the VAHLE GROUP, have a responsibility towards our co-workers. For this reason, a contemporary management structure is pre-eminent. We nurture tolerance, fairness and equal opportunity. We are cognizant of being role model for our co-workers.

#### **1. Leadership culture**

Everyone in a supervisory or management position bears responsibility for his/her co-workers. Respect must be earned with exemplary personal conduct, performance, openness and social competence. A leader places trust in his/her co-workers and stipulate precise, ambitious and realistic goals, allowing co-workers as much personal responsibility and freedom of decision making as reasonable.

#### **2. Fairness, tolerance and equal opportunity**

Our appreciation and esteem extends to all co-workers regardless of nationality, culture, religion and ethnical origin as well as gender, sexual preference or age. The VAHLE GROUP expects from every co-worker an objective, friendly attitude when interacting with colleagues, co-workers and others.

#### **3. Role model function**

Every co-worker's behavior must indicate that corruption is neither tolerated nor supported. Corruption attempts must be rejected and appropriate authorities within the Company must be contacted.

The same holds true for interaction with fellow employees.

The VAHLE GROUP values the concept: 'Treat **each** and **everyone** as you would want to be treated.' Mutual respect, friendliness and trust are the basis for a successful work environment.

### *III. Conduct among co-workers*

#### **4. Workplace safety, health and protection of environment**

We expect that every co-worker will make certain that work area and work environment in his/her sphere of influence will be kept safe and orderly. All regulations pertaining to workplace safety, health and the protection of the environment must be adhered to.

The VAHLE GROUP accepts responsibility for future generations and feels duty bound to use available resources carefully.

#### **5. Confidentiality and data protection**

We insist that our co-workers will not divulge to anyone not authorized confidential information and/or data pertaining to proceedings, processes, current and future projects of VAHLE GROUP, customers and suppliers.

We will in case of transgression and after careful examination of every individual occurrence, if necessary, initiate legal proceedings.

#### *IV. Conduct within social environment*

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We also have a responsibility to society. To observe and act within the law is a foregone conclusion for VAHLE GROUP. Every employee has an obligation to strictly adhere to all pertaining laws and regulations within their sphere of influence. This particularly applies to provisions intended to safeguard human rights (prohibition of any kind of forced and child labour) and to protect the environment. We also expect our suppliers and subcontractors to comply with the relevant provisions.

Insofar as the VAHLE GROUP makes donations to support social, cultural or other charitable causes, the following guidelines must be adhered to:

The distribution of donations must always be transparent. The receiver of the donation and the intended use must be known and must be traceable. Also accountability, open to the public, must be available.

## V. Code of Conduct implementation and adherence

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Every employee will receive a copy of this Code of Conduct; additionally, it will be posted on our homepage. Supervisors, department heads and executives must make certain that every employee is fully familiar with its contents. For this purpose, we provide training materials and documents in the form of interactive PowerPoint presentations which also touch upon local provisions and particularities. Nevertheless, questions in connection with this Code of Conduct will appear again and again, particularly in new situations. Questions relating to the Code of Conduct will always arise. Employees may discuss any uncertainty with their superior or directly with the compliance representative.

With the VAHLE whistle blower system, all legal regulation violations pertaining to cartel and corruption laws within the VAHLE GROUP may be reported directly and anonymously to the **COMPLIANCE REPRESENTATIVE**.

Compliance with the Code of Conduct must be verified with a detailed analysis by a third party.

Code of Conduct **infractions** will have **consequences**! Actual corruptive behavior will result in sanctions of the personal employment structure and may result in termination of employment. Moreover, legal authorities will be notified when actual corruption is discovered.

## V. Code of Conduct implementation and adherence

- COMPLIANCE REPRESENTATIVE

When suspicion exists that a **decisive violation** of in the Code of Conduct contained regulations has occurred, every employee of VAHLE GROUP is urged to contact directly the COMPLIANCE REPRESENTATIVE.

The COMPLIANCE REPRESENTATIVE is an external attorney.

Accepting VAHLE GROUP as client with the position of COMPLIANCE REPRESENTATIVE, the attorney has the obligation to **objectively** analyze and **neutrally** evaluate each case.

The COMPLIANCE REPRESENTATIVE is **bound** to **absolute confidentiality** with regards to information received, even extending to legal authorities and to the Company. Using this concept enables the participants to freely discuss cases of suspicion and search for a solution. The identity of the informant **remains confidential** and will **not** be revealed to the Company if the informant so **requests**.

Information received will be examined and processed by the VAHLE GROUP COMPLIANCE REPRESENTATIVE. A central e-Mail address will be installed as well as a protected mailbox to facilitate, if so desired, anonymous communication between informer and compliance representative.

Employees, who desire to have direct and confidential conversation with the COMPLIANCE REPRESENTATIVE before the submittal of information, have the **possibility** to do so.

#### V. Code of Conduct implementation and adherence

VAHLE GROUP protects the interest of informants not only with the secure whistle blower system, it promises also that all information received will be kept confidential, that informants who act with their best knowledge will be **protected** with all available means so that they will not **suffer reprisals**.

VAHLE GROUP will use appropriate measures when there is evidence that employees violate this principle.

When examining received information VAHLE GROUP will safeguard **interests worthy of protection** of **persons affected** by the information. An accusation can have severe consequences for a person. We therefore urge potential informants to use the whistle blower system responsibly.

The whistle blower system is for VAHLE GROUP employees just one of the possibilities to provide information about Code of Conduct infractions. With adherence to the spirit of VAHLE GROUP's open Company culture, employees are strongly encouraged to initially contact a trusted address, e.g. supervisor, human resources or elected employee's representative.

*VI. Contact person in case of suspicion*

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## **COMPLIANCE REPRESENTATIVE:**

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