



Compliance Guidelines of the Schulte-Schlagbaum Group

Date: 01.07.2020

Table of Contents

A. Preamble	3
B. Behaviour requirements	3
1. Compliance with statutory provisions	3
2. Individual behaviour requirements	3
3. Leadership and responsibility	6
4. Supplier relationships	7
5. Avoiding conflicts of interest	7
6. Duty to tell the truth	7
7. Confidentiality	7
8. Privacy Policy	7
9. Complaints/Guidelines Violation	8
10. Open Issues/Questions	8

A. Preamble

The Schulte-Schlagbaum Group and its employees are committed to a value-based, ethical and law-abiding corporate governance, which is the basis of entrepreneurial and social activity.

These guidelines are binding rules that must be observed by all employees of the group. In particular, members of the top management and all managers are responsible for the active implementation of these guidelines. They must set an example in every respect.

The guidelines are the basis and guide for addressing ethical and legal challenges in daily work. Each employee may contact their supervisor or the Compliance Officer of the group with questions and instructions in this regard.

In the interest of compliance with these guidelines, all employees and business partners are asked to notify the company if they are aware of any procedures or circumstances that may constitute violations of these guidelines.

B. Behaviour requirements

1. Compliance with statutory provisions

Compliance with the law and legal provisions is essential for the Schulte-Schlagbaum group. Every employee must abide by the law.

In case of a violation of the law, in addition to the penalties provided by law, every employee must expect disciplinary consequences due to violation of employment duties.

A failure to comply with legal provisions in an individual case may not only lead to a criminal conviction of the employee, but also to substantial fines to be paid by the company and significant damage to the company's reputation in the eyes of customers, suppliers and the general public.

2. Individual behaviour requirements

a) Granting and accepting favours, gifts and invitations, etc.

In the course of business, employees shall not demand, accept promises or any benefits for themselves or a third party, when provided in exchange for preference in competition. Also, it is prohibited to offer, promise and grant any such benefits.

a1) When granting gifts and other benefits it must be strictly ensured that there is no appearance of dishonesty or impropriety for the recipient. Therefore, it is particularly important to refrain from granting any benefits shortly before or after any contract negotiations. Exceptions are possible only when there is a valid reason. In this case, the employee must obtain the approval of their supervisor in advance.

The granting of gifts and other benefits is acceptable when it comes to promotional gifts or similar benefits that are customary in business. The maximum value for such benefits is fixed at €35.00 in Germany and Austria and CHF 50.00 in Switzerland. In cases of doubt, the employee must ask his/her supervisor whether the specific benefit is customary. If the value of the donation exceeds the amount stated above, approval of the supervisor has to be obtained in advance.

If the supervisor is unsure whether there is a justifiable reason for a benefit or whether it is customary practice, the supervisor has to consult the Compliance Officer in advance.

Gifts and other benefits to officials are prohibited in all cases!

a2) In case of acceptance of gifts and other benefits with a value of less than €35.00 or CHF 50.00, the employee concerned must independently verify in each case as to whether the acceptance of the benefit is voluntary within the scope of customary cooperation and does not exceed the scope of goodwill benefits granted during the normal course of business. Special care is required where regular benefits are granted in the same year! In cases of doubt, the employee has to inform his/her superior and refuse to accept the benefit, if necessary. If the value of the gift or benefit is above the aforementioned amount, the approval of the supervisor must be obtained.

If the superior is unsure whether a benefit is customary practice, he/she has to consult the Compliance Officer in advance.

Acceptance of benefits from business partners of the Company by family members or partners of employees must be notified to the supervisors of the employee in each case.

a3) For meal invitations, the following differing rules apply:

Employees may not demand dinner invitations.

As guests of business partners, employees may accept invitations to business meals only if they are offered voluntarily and take place in the ordinary course of business collaboration. The invitation shall not exceed a value of €50.00 or CHF 75.00 per person. For invitations, for which it is expected that the value of €50.00 or CHF 75.00 per person will be exceeded, approval of the supervisor must be obtained in advance. An invitation for which the value of €50.00 or CHF 75.00 has been exceeded, although this was not foreseeable in advance, must be reported to the supervisor immediately and his subsequent approval for this must be obtained. In cases of doubt, the supervisor will then obtain approval from the Compliance Officer.

The above principles apply equally to meal invitations, even for business partners.

a4) The following applies to customer events:

Invitations, both accepted and declared, to regular customer events (lectures, sales days, plant visits, etc.) must be approved in advance by the supervisor. Acceptance of invitations to customer events outside of the regular framework (e. g. events with a special program, travel abroad or similar) must be approved in advance by the supervisor, who will obtain consent from the Compliance Officer.

a5) The following applies to entertainment events:

Invitations of business partners to events (football, golf tournament, theatre, etc.) are permitted only if the invitation is not made shortly before or after any contract negotiations with the guest or his/her employer and there is a special reason (e. g. anniversary, opening of a new plant, etc.) for the invitation.

The invitation must be transparent – invitation printed on the company letterhead, addressed to the business address of the invitee or to his/her management. Each invitation is to be pre-approved by the supervisor and the Compliance Officer.

The supervisor may grant approval to the measure on condition that the invitation is subject to the approval of the superior authority of the inviting party.

The above principles apply accordingly to the acceptance of invitations from business partners.

b) Donations

For the award of donations it is important to note that donations submitted by individuals are to be rejected in principle, as well as donations to political parties and persons or organisations whose goals contradict the principles of Schulte-Schlagbaum Group.

The donation must be transparent. The recipient of the donation and the actual use by the recipient must be known. The reason for the donation and the intended purpose must be legally verifiable at any time and therefore documented.

Donation-like payments, i.e., benefits that are only apparently granted as payment for performance, but which significantly exceed the value of the performance, are prohibited.

c) Award of contracts

If the award of a contract is based on a formal invitation to tender, the company will neither arrange nor coordinate any offers with other bidders. This applies both to public and selective tenders and regardless of whether this is a public or private award procedure.

d) Integrity

No business partner of the Schulte-Schlagbaum Group may be deceived in legal transactions about facts that are clearly relevant to economic or commercial decisions. When employees of the Schulte-Schlagbaum Group make statements to business partners about facts, the content of such statements must be accurate.

e) Competition

Competition and market economy are essential elements of a free society, the security and protection of which are in the interest of the Schulte-Schlagbaum Group. Every employee is obliged to observe the rules of fair competition.

Agreements between companies, which restrict competition are incompatible with and usually prohibited by antitrust laws.

In particular, the following is prohibited:

- Polls in connection with prices and price parameters (e. g. discounts, rebates, etc.)
- Collusion with competitors or agreement to submit bogus offers
- Agreements concerning the allocation of markets
- Specifying delivery or subscription amounts
- Exchange of secret market information (e. g. sales, prices, policies and customer data, etc.)

f) Money Laundering Act

The Schulte-Schlagbaum Group does not tolerate money laundering. All employees are required to strictly adhere to anti-money laundering laws. In addition, they must also report suspicious forms of payment, customers or transactions that may indicate money laundering, immediately to their superiors.

The supervisor must check these operations after the report and consult the Compliance Officer in case of doubt.

All employees are required to comply with all applicable requirements for recording and accounting records for cash and other transactions and contracts.

g) Tax, customs and foreign trade law

The Schulte-Schlagbaum Group prepares tax returns and declarations that present a true and accurate picture of its tax affairs. All goods subject to customs duties are properly cleared. The legal requirements for export control and customs in the areas of foreign trade and customs law are consistently adhered to and properly implemented.

The Schulte-Schlagbaum Group expects its suppliers to ensure qualified and punctual delivery of export control and foreign trade data, and the implementation of sufficient standards for supply chain security in the context of global customs security program.

h) Compliance with safety standards

Every employee must pay constant attention to safety. The rules for work safety and occupational health and safety laws and company regulations must be observed.

To ensure adequate preparation, all employees are encouraged to immediately report any grievances to their superiors. The supervisor will ensure that the reported grievances are resolved promptly.

3. Leadership and responsibility

Each manager is responsible for the employees entrusted to him/her. The manager must set an example for them.

Every manager has to fulfil organisational and supervisory duties. The manager is responsible for ensuring that there are no violations of law within his/her area of responsibility that could have been prevented or impeded through proper supervision. This also applies where the individual tasks are delegated. In particular, the manager must

- carefully select employees based on personal and professional competence
- provide clear and binding instructions about tasks,
- check compliance with the statutory provisions on an ongoing basis
- clearly advise employees that violations of the law are unacceptable and will have consequences.

In the evaluation of misconduct by managers, the Schulte-Schlagbaum Group is stricter than with other employees. The guiding principles of SAG and the “principles of cooperation” must be observed or applied at all times.

4. Supplier relationships

Schulte-Schlagbaum Group is committed to ethical and law-abiding corporate governance. It expects the same from its suppliers and other business partners. In particular, they must

- behave in accordance with the law,
- commit themselves to fighting corruption and to work towards this,
- respect human rights,
- ensure the health and safety of their employees.

In terms of its corporate principles, the Schulte-Schlagbaum Group further undertakes to refrain from entering into any such agreements with its customers and suppliers, which may be objectionable under anti-trust laws. In particular, it shall refrain from any agreements that

- stipulate an obligation on the part of the customer to sell at a fixed or minimum price,
- bind the buyer to cover the entire demand for a product exclusively from one supplier,
- stipulate that the supplier may not supply certain companies.

5. Avoiding conflicts of interest

The Schulte-Schlagbaum Group considers it important that its employees do not confront conflicts of interests or loyalty in their duties. Employees must indicate any personal interest that may arise in connection with their activities immediately to their supervisor.

Employees are not allowed to arrange for private orders to be performed by companies with which they are in contact in their business activities, if this would entitle them to any form of benefit (e. g. discounts).

Employees are not permitted to run a business or work for a company that is in competition with the Schulte-Schlagbaum Group.

The taking up of a secondary activity for remuneration must be reported to the supervisor in writing in advance and approved by the latter. Such activities may be prohibited if they lead to a decrease in work performance, contradict the duties within the Company or if there is a risk of a conflict of interest.

6. Duty to tell the truth

All reports and other written documentation must be prepared accurately and truthfully. This applies regardless of whether these are internal or external reports.

Data collection and other records have to align with the principles of proper accounting and to be complete and correct at all times.

In particular, the requirement applies to truthful statements for expense reports.

7. Confidentiality

Confidentiality must be maintained in relation to all internal affairs of the Schulte-Schlagbaum Group which are not publicly known. This obligation shall apply also after the end of the employment.

8. Data protection

Personal data are only collected, processed or used by the Schulte-Schlagbaum Group if it is necessary for pre-defined, clear and legitimate purposes.

A high standard of technical protection against unauthorised access is guaranteed by the Schulte-Schlagbaum Group.

9. Complaints/Guidelines Violation

Any employee may submit a personal complaint to their supervisor or the Compliance Officer or indicate circumstances that refer to a violation of these guidelines. After a thorough investigation, corresponding measures will be taken where appropriate. All transactions and information will be treated and stored confidentially. These shall be no adverse impact on the reporting employee, unless said employee is found to have deliberately made false allegations.

10. Open Issues/Questions

If you have any questions or suggestions regarding this compliance policy or other issues about compliance, please contact our Compliance Officer

Sven Gill
+49 (0) 2051 / 2086-117
sven.gill@sag-schlagbaum.com



Peter Pongratz
Chief Executive Officer

Date: 01.07.2020