

Compliance Guideline of Kajo Neukirchen – Group



Preface

Dear employees of Kajo Neukirchen Group,

Since its foundation, Kajo Neukirchen Group has issued a number of internal regulations on the subject of compliance. In doing so, it has taken into account that the group's member companies are active in different business sectors. Thus, the existing compliance guidelines are different in each company, reflecting, in part, the individual company history prior to its attachment to our Group.

Therefore, the Management and the Advisory Board now consider it necessary to take two further steps:

- 1) To issue a general Compliance Guideline for Kajo Neukirchen Group that covers all relevant areas of regulation for effective compliance and which is formulated in such a way as to enable its uniform implementation for all member companies

and

- 2) to examine the existing compliance guidelines in Kajo Neukirchen Group in order to determine whether they can be dropped on the basis of the new compliance guidelines, or whether the need to be retained or supplemented due to company-specific particularities - if necessary, in an updated form.

A precondition for the steps delineated under no. 1) and 2) is the appointment of a Compliance Officer for each Group member company, who shall accompany these two steps and who shall be responsible for their sustainable implementation.

Both the Management and the Advisory Board are convinced that every employee of Kajo Neukirchen Group shares the ideas of compliance and strictly observes the guidelines in daily business practice, thereby averting damage to the company and enabling every employee to fully identify with their company.

With this Compliance Guideline we wish to strengthen the leading position of our business units as well as support and promote their future growth.



Frank Düpre
CEO



Dr. Birgit Chorionopoulos
CLO

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1. Definitions and Scope

Compliance means the observation of laws and other national and European legal regulations (hereinafter referred to as “legal regulations”) as well as internal regulations. These guidelines are valid for all employees and board members of Kajo Neukirchen Group (hereinafter referred to as “employees”).

2. Duty to Inform

Every employee must inform themselves about the valid legal and internal regulations applicable to their respective area of responsibility. In case of doubt, they shall seek advice from the Chief Legal Officer of Kajo Neukirchen GmbH.

For individual regulatory areas of Kajo Neukirchen Group, company-specific regulations or contractual agreements are in place which specify the rules of these compliance guidelines and which must be observed by the employees.

The members of Kajo Neukirchen Group shall make the specific applicable legal and internal regulations to all employees.

3. Fundamental Rules of Conduct

Each employee is obliged

- to observe the legal and internal regulations applicable to their area of responsibility
- to behave in a fair, respectful and trustworthy manner in all activities related to the company and business activities
- to respect and promote the reputation of Kajo Neukirchen Group
- to avoid conflicts of interests between private and professional matters
- not to give themselves or others undue advantage
- to comply with the legal regulations on health and safety at the workplace, environmental protection and data protection
- to immediately report violations of compliance guidelines to the Compliance Officer (No. 17).

Moreover, every supervisor is obliged

- to comply with the management principles of Kajo Neukirchen Group
- to assess employees solely based on their performance and to ensure compliance with this guideline within their area of responsibility.

4. Equality of Treatment

Discrimination on grounds of racial or ethnic origin, gender, religion, belief, disability, age or sexual identity is strictly prohibited. This applies particularly to dealings with colleagues, employees and business partners as well as to the hiring, promotion or dismissal of employees.

5. Ban on Bribery and Corruption

Corruption harms competition and prevents "fair play"; it does not correspond to our corporate values and exposes Kajo Neukirchen Group, as well as each of its employees, to unnecessary liability risks.

It is strictly prohibited

- to offer, promise or grant a personal advantage to domestic and foreign public officials in connection with their official position, for the performance or omission of an official act
- to offer, promise or grant illegal personal advantages to employees or representatives of domestic or foreign companies
- to support illegal activities of other persons
- to permit the execution of unlawful acts by other persons, including relatives, friends, agents, consultants, planners and brokers
- to demand or accept illegal personal advantages.

6. Invitations, Presents, Events

Invitations and presents are part of interpersonal relationships and polite interaction. Employees of Kajo Neukirchen Group may issue invitations and make gifts to business partners and, in turn, accept invitations and gifts from them, under the proviso that these are within reasonable limits.

In order to avoid even the slightest appearance of corruption, the following rules apply:

- Employees of Kajo Neukirchen Group must decline invitations and gifts if they are obviously or presumably connected with concrete expectations of any type of compensation
- they must also reject invitations and gifts if their acceptance would violate legal or internal regulations
- employees of Kajo Neukirchen Group may not demand any benefits.

The same applies for the granting of advantages.

Participation of employees of Kajo Neukirchen Group in professional events is permitted and desired. The same applies to the organisation of professional events.

Invitations to and participation in social and leisure events in a business environment are permitted if they are within reasonable limits. Under no circumstances must they give even the slightest impression of impairing fair competition or mixed interests.

7. Avoiding Conflicts of Interest

Every employee must strictly separate their private interest from the interest of Kajo Neukirchen Group. Even the slightest impression of a conflict of interest must be avoided.

To this end, the following orders may only be placed and activities may only be carried out following prior approval by the responsible Managing Director and the Chief Legal Officer of Kajo Neukirchen Group:

- Orders to closely connected persons (e.g. spouses, relatives, friends and private business partners)
- orders to companies that employ closely connected persons
- orders to companies in which closely connected persons have shares amounting to 5% or more
- extracontractual activities for competitors
- extracontractual activities for business partners

Employees wishing to acquire - directly or indirectly - 5% or more of a competitor or who already own shares to the said amount must report this to the Compliance Officer, whereupon an investigation into possible conflicts of interests shall be initiated.

8. Money Laundering

Kajo Neukirchen Group collaborates exclusively with trustworthy business partners who operate within the scope of legal regulations and who do not use illegal financial means.

Every employee must comply with the laws against money laundering and report any suspicion of money laundering immediately to the respective accounting manager and to the Compliance Officer.

9. Foreign Trade and Export Control

Kajo Neukirchen Group observes the legal norms of national and European law related to export control, thereby fulfilling its role as a globally active entrepreneur.

Approval requirements related to the export of our products must be strictly adhered to. Export bans and related support bans must be observed without exception.

The currently applicable customs regulations must be adhered to both for the export and import of goods.

10. Cooperation with Customers and Suppliers

Kajo Neukirchen Group expects the following from employees, customers and suppliers:

- Compliance with all applicable legal regulations
- refraining from corruption

- respect of human rights
- compliance with laws against child labour
- compliance with legal regulations of international trade
- especially compliance with export and import bans and embargo regulations
- the protection of health and safety of all employees
- compliance with the relevant legal regulations and international standards on occupational safety, environmental protection and data protection.

The above points must also be implemented and complied with in the Group's own supply chain of customers and suppliers.

11. Occupational Safety and Environmental Protection

In the interest of the health and safety of all employees and visitors, every employee must observe the applicable legal regulations and standards at their workplace, as well as the internal work instructions on occupational safety.

Each employee is jointly responsible for environmental protection in their work area and is obliged to comply with the legal regulations and standards as well as the internal work instructions on environmental protection.

12. Data Protection

As an internationally active company, the use of modern information and communication technology is an indispensable part of business processes for Kajo Neukirchen Group.

In this context, all employees are obliged to handle personal data in all business processes with the utmost care. Personal data may only be collected, used, processed and stored in accordance with the applicable data protection regulations. This applies to employee data as well as to data of customers, suppliers, competitors and other persons.

In particular, data may only be processed if the person concerned has given his/her prior consent or if this is legally permissible for other reasons. Personal data must be used sparingly; their processing must be classified as necessary in every individual case.

To ensure effective data protection, Kajo Neukirchen Group has appointed data protection officers and issued the corresponding guidelines.

13. Protection of Company Assets

Every supervisor must establish an organisation within their sphere of responsibility that protects the company's assets against loss or misuse. The company's assets must not be used for private purposes.

The purchase and sale of company assets must be transparent, comprehensible, economical and at market conditions. The respective decisions and transactions must not be influenced by the personal interests of individual employees.

Company and business-related data must be treated confidentially and may only be used within the scope of the respective employee's area of responsibility.

14. Conduct towards Competitors

- Laws governing competition and antitrust laws must be respected
- It is not permissible to exchange or agree prices, quantities and conditions with competitors
- Market sharing agreements with competitors are not permissible
- Vertical restraints on customers regarding the use of goods purchased by them require prior antitrust scrutiny
- These rules must also be observed in the work of associations. Industry statistics which do not include identifiable individual companies are permissible.

15. Donations

Donations may only be made with the prior the written consent of the respective Managing Director and the Chief Legal Officer of Kajo Neukirchen GmbH.

Donations must be made in accordance with the applicable legal regulations and the above regulations for the prevention of corruption and conflicts of interests and the protection of company assets.

16. Consequences of Compliance Violations

In the event of compliance violations, employees may face the following consequences:

- Written warning
- Dismissal
- Claims for damages by third parties and by Kajo Neukirchen Group
- Fines
- Imprisonment

Compliance violations may have the following consequences for Kajo Neukirchen Group:

- Claims for damages by third parties
- Expensive court proceedings
- Fines and skimming of profits
- Loss of reputation

17. Contact Persons and Compliance Officer

If you have any questions or misgivings:

- Talk to your supervisor or the responsible department, e.g. Human Resources, about issues related to employment contracts.
- If it is not possible to clarify matters with your supervisor or the relevant department, or if concerns persist, please contact the Compliance Officer.
- The Compliance Officer can be contacted directly at any time; your complaints will be treated confidentially and anonymously, if required.

If you are aware of compliance violations,

- it is your duty to immediately report them to the Compliance Officer.

Kajo Neukirchen Group

Contact data of Compliance Officer

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