

COMPLIANCE GUIDELINE

1. Purpose

This Guideline describes EUCHNER's interpretation of, position on and approach to compliance challenges in the areas of bribery and corruption, gifts and entertainment, fraud and theft, antitrust laws, conflicts of interest and prevention of retaliatory measures throughout the company.

For the sake of legibility, only the masculine form is used below.

2. Scope

This Guideline applies to all employees and business associates of EUCHNER.

It also applies in cases in which an EUCHNER employee violates the EUCHNER Code of Conduct or other EUCHNER guidelines.

Employees must promptly assist the compliance organization to the best of their ability. EUCHNER encourages business associates to report any observed activities that can or could be compliance cases.

Managers are additionally obligated to instruct, support and monitor their employees in complying with this Guideline, the Code of Conduct and all other EUCHNER guidelines.

EUCHNER's external compliance officer can be reached at

compliance@euchner.info

or by mail

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3. Employee representatives

All rights of locally established employee representatives (such as workers' councils) are respected.

4. Bribery and corruption

EUCHNER prohibits bribery and corruption of any kind, irrespective of persons or the position of the parties involved. EUCHNER does not engage in bribery, corruption or any activities that could be perceived as such. All employees must therefore avoid any type of bribery or corruption, be it directly or indirectly via intermediaries.

Business associates are requested to refrain from providing gifts or entertainment of any kind to EUCHNER employees.

Employees must exercise caution when presented with gifts or entertainment of any kind, particularly with regard to the risks of bribery, corruption and conflicts of interest they may entail. Employees must therefore ensure that they give or accept only gifts and entertainment that:

- comply with all external and internal legal requirements and guidelines;
- are applicable to the giver and to the recipient, particularly if the recipient is an official or a family member of an official;
- serve a legitimate business purpose; in particular, the purpose must not be to inappropriately influence a recipient's decision;
- are appropriate for the respective situation;
- respect the boundaries of good taste and are presented or take place in a setting that is appropriate for business purposes; and
- are given without obligation – that is, without producing expectations for a business favor in return.

The following types of gifts and entertainment must never be given or accepted:

- cash payments or cash equivalents;
- inappropriately favorable employment or other contractual conditions; or
- adult entertainment.

Employees must register all gifts and entertainment they receive in their relevant expense reporting systems.

Local laws, employment contracts or other internal regulations could call for stricter requirements, such as advance approval.

Employees must report to the compliance officer all gifts and entertainment they accept with a value of at least EUR 100.00 (including locally applicable taxes, such as turnover tax). If, within a calendar year, an employee receives multiple gifts from the same person or from other persons working for the same company or organization and these gifts collectively exceed the value threshold, the employee must register each of these gifts.

EUCHNER encourages all employees to donate any gifts and entertainment they may receive in their capacity as employees.

5. Fraud and theft

EUCHNER prohibits fraud or theft of any kind. To avoid fraud and theft, all business associates and employees must, among other things:

- respect and protect EUCHNER's property and the property of others;
- properly treat EUCHNER's property and the property of others in all business activities; e.g., handle product samples or event tickets appropriately and in accordance with any specific requirements;
- comply with the established rules and checks intended to prevent or detect fraud and theft; and
- be watchful for unusual business activities that could indicate fraud or theft.

6. Antitrust law

EUCHNER prohibits anticompetitive practices of any kind. EUCHNER does not engage in anticompetitive practices of any kind or in any activities that could be perceived as anticompetitive. All employees must avoid such activities. If they have any doubts, they must consult the compliance officer first.

Employees must not exchange information with competitors (horizontal agreements) for the purpose of affecting competition on the relevant market in a way that violates applicable antitrust law. Examples of unacceptable information exchange include arrangements or agreements with competitors regarding prices, purchasing and sales volumes, markets (or market segments), customers, technical solutions/standards and other factors relevant to competition.

Employees must not make any arrangements with suppliers or customers (vertical agreement) with the aim of limiting competition on their respective relevant markets in violation of antitrust laws.

In their relationship with sales partners, employees must not ▪ prescribe resale prices, minimum prices or other business conditions (such as marketing, design and store plans); ▪ exclude or restrict the sales partner's conditions of business in a way that would limit competition; ▪ ban the sale of non-EUCHNER products or make recommendations regarding their conditions of sale; ▪ request or accept sensitive information.

7. Conflicts of interest

Business associates and employees must avoid potential, actual or ostensible conflicts of interest in their business activities. To this end, they must periodically examine the relationships between their private interests and their business obligations. Employees must disclose any unavoidable conflicts of interest.

Employees must therefore carefully check for any conflicts of interest if: ▪ they are in contact with persons close to them in their professional capacity at EUCHNER; e.g., in business relationships, when hiring, when managing personnel, when dealing with gifts or entertainment or when granting benefits; ▪ they or a person close to them perform remunerated or non-remunerated work for or have a financial or non-financial stake in a company that is in a business relationship (such as purchasing or sales) or in competition with EUCHNER.

Employees must disclose any unavoidable conflicts of interest to the compliance officer. The employee and the supervisor must cooperate to handle the conflict of interest with appropriate measures to prevent the situation from impairing the employee's judgment, obligations or loyalty.

To avoid disadvantages and misunderstandings, business associates are requested to report conflicts of interest to their contact at EUCHNER or to the compliance officer.

8. Prevention of retaliatory measures

EUCHNER prohibits retaliatory measures of any kind. All employees are obligated to refrain from taking retaliatory measures.

EUCHNER takes suitable steps to protect persons from retaliatory measures when they report presumed or actual compliance cases in good faith and in compliance with the applicable regulations. This applies whether or not the compliance case turns out to be justified.

Employees or business associates involved in investigations are instructed to ensure confidentiality.

The compliance organization decides on appropriate measures on a situational, case-by-case basis in collaboration with the departments or central functions involved. These measures could include establishing confidentiality on a “need to know” basis, using external conference rooms or secure communication channels, changing locations or providing personal protection, involving the authorities, and cooperating with Human Resources to prevent disciplinary actions or other deleterious consequences for the employment relationship.

9. Compliance with guidelines and consequences

The compliance officer, Human Resources and – where appropriate – other functions will jointly decide on and implement appropriate consequences in response to proven compliance cases. All rights of locally established employee representatives (such as workers’ councils) will be respected in this process.

Compliance cases could also involve the violation of external legal, regulatory or administrative requirements by the affected employee or employees and could lead to criminal, civil or regulatory penalties such as fines and/or imprisonment.

10. Training courses

The compliance officer will offer training courses covering specific provisions of this Guideline as needed.

11. Responsibility for and issuance of the Guideline

The compliance officer is responsible for this Guideline. As a key element in the EUCHNER Compliance Management System, the Guideline is issued by EUCHNER’s managing director. Please contact the compliance officer if you have any questions or for more information about this Guideline.

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Annex – Terms and Definitions

Official: any officer or employee of a government authority or agency, another public corporation, public international organization or any person who acts with sovereign authority for or in the name of such a body.

Facilitation payment: payment to an official with the purpose of inappropriately facilitating governmental transactions including, but not limited to, visa processing or customs clearance, tour planning, mail collection or delivery or connection to public utilities.

Bribery: direct or indirect, active (offering, promising, giving) or passive (requesting, accepting) use of something of value as an incentive for the recipient to take an action or refrain from taking an action in order to provide an unfair advantage to the active side or a third party in a business relationship. This includes facilitation payments and indirect methods of using intermediaries such as agents, consultants, distributors, suppliers and joint venture partners.

Fraud: impairment of another person's (natural person or company, such as EUCHNER) property by deceiving this person for the purpose of attaining a wrongful or otherwise unearned advantage for one's self or for a third party (such as EUCHNER or a family member); this can include, but is not limited to: ▪ falsification, imitation, modification, destruction or removal of documents or records such as cost statements, invoices or expenses; ▪ violation of accounting rules with the aim of falsifying balance sheets or other assessments; ▪ extortion; or ▪ deliberate payment of undue and inflated prices or fees to third parties.

Compliance case: violation of this Guideline, the EUCHNER Code of Conduct or another EUCHNER guideline.

Compliance organization: compliance officer

Theft: unlawful appropriation of another person's (natural person or company, such as EUCHNER) property or other resources for one's self or for a third party.

Something of value: cash payment or other objects of value such as goods, services and favors of particular value to the recipient. This can include, but is not limited to: travel, catering, entertainment, events, preferential treatment, access rights, vouchers for goods or discounts, agreements or other methods of avoiding bidding on business invitations to tender, favorable employment conditions, internships or other positions for family members, overpayment of purchases.

Manager: employee who is responsible for the work of another employee.

Business associate: any person who interacts with EUCHNER in any way.

Gifts and entertainment: something of value given to or accepted from a person outside EUCHNER without legal obligation.

Conflict of interest: situation in which a person's personal or private interests actually impair, could impair or could seem to impair their judgment, their obligations or their loyalty to EUCHNER.

Corruption: misuse of a public or private office or powers for one's own benefit.

Employee: person employed at EUCHNER (on a permanent or temporary basis). Employees include, but are not limited to, members of the EUCHNER management board, trainees, seconded employees, teleworkers, casual workers, volunteers and interns.

Close person: an employee's family member, a person who lives together with an employee in the same household or shared accommodation or a person who is friends with an employee.

Relevant market: all products that consumers or suppliers consider to be equivalent or interchangeable with regard to product properties, prices and purpose. Products in the same relevant market directly compete with each other.

Guideline: this Compliance Guideline.

Retaliatory measures: negative actions, such as disciplinary measures, taken against a person because this person reported an alleged or actual compliance case or expressed other concerns in good faith and observing the applicable regulations.

Sales partners: wholesale trade or franchise partners, including the EUCHNER selective sales system.

Anticompetitive practices: activities that unlawfully limit competition on the relevant markets. These typically take the form of horizontal (with competitors) or vertical (with suppliers or customers) agreements or arrangements, misuse of market dominance or attaining impermissible market dominance through business mergers.