



Code of Conduct

Annexes



kersten
bending technology

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Annex 1 – Avoid anti-competitive conduct

Further explanation

Almost all countries in which Kersten is active have competition laws (or antitrust or anti-cartel laws). In essence the core of these laws is always the same: companies are not allowed to share any form of confidential information with their competitors. Of course, price-fixing between competitors or agreeing (even informally) with competitors to respect each other's customer groups or focus is clearly prohibited.

The cartel prohibition even goes much further. Providing a representative of a competitor with information on our current policy, our intended action or even recent decisions relating to the commercial policy is a violation of the competition laws.

It is irrelevant whether the information is "important" according to us or whether the competitor was aware of the information already. Even the "confirmation" that the information a competitor has about our commercial policy is correct, will constitute a serious violation of the competition rules around the world. Sometimes you receive information via customers about the actions of competitors. The competition authorities have ruled in some cases that sharing information about the commercial policy of competitors via customers infringes competition law.

It may occur in daily practice that you meet with competitors. Talking to competitors is always very risky and if you choose to do so, it is your responsibility that no sensitive information is exchanged. The only alternative would be to forbid any communication between employees of Kersten and competitors regardless of the subject even insofar as legally allowed). However, Kersten does not want to impose such an extensive prohibition because we trust that our employees act responsibly. In any case, you have to make absolutely clear in a conversation that you refuse to disclose or receive sensitive information even though such an information exchange may appear tempting or even useful for business.

The fines for violations of the competition rules are enormous and they apply to both the companies concerned and the individuals infringing competition law. In Europe, fines imposed on companies may be up to 10% of last year's group sales. To take Germany as an example, individuals may be fined up to EUR 1 million. In some of the countries where we do business people can even go to jail for violations of competition law. This will typically concern violations which involved contacts with competitors.

Naturally, there are areas of competition law which are more nuanced, like: *can we co-operate with this competitor in R&D? Or can we buy input products*

together? Or can we ask for or provide exclusivity to a supplier or a distributor/customer? These are all questions which require a delicate legal and economic analysis. Please do not make any decisions on such issues without prior consultation with your manager so that legal advice can be obtained in advance. Another aspect of competition law concerns control of companies having a strong position on a given market. If a company has a very strong position on a market (quasi-monopoly or dominance) the commercial freedom is significantly restricted by some of the competition laws.

Market dominance is usually deemed to exist where we can set our terms and conditions without having great consideration to our competitors. Market share and the distance to competitors are the decisive characteristics to define dominance. If we believe that we have a market share of 20% or more, we have to consider our terms and conditions more thoroughly.

Can we still do exclusive deals or grant discounts to customers? If you are faced with such questions, make sure you contact your manager so that prior legal advice can be obtained.

Examples

Example 1: A trade association meeting is taking place. The issues discussed there pertain to, among other things, the current certification procedures and legislative proposals relating to product standards.

During a coffee break you get into a conversation with employees of two competitors. The conversation turns to the current annual negotiations with an important wholesaler. The latter claims higher rebates, extension of credit and return of goods terms, reduction of the minimum purchase orders, increase of advertisement support and contribution for various marketing activities. The colleagues tell you that they are faced with the same requests and that they will probably accept the requests relating to the marketing support but that they will definitely reject the other requests. Now they ask you how we will respond to the requests. You answer that we have not yet made a decision, but that you consider the envisaged strategy of your colleagues to be right. You state that, in your opinion, it would be helpful if at least the other requests could be rejected.

This conversation constitutes a serious violation of competition law. The competition authorities presume that the information exchanged in this conversation have an influence on the negotiations with customers and thus on competition. Such presumption can hardly be rebutted in competition proceedings. In this context, the fact that the wholesaler may have a strong position on the wholesale market is of no relevance.

What should you do when a competitor (even a former colleague, friend or relative) provides you with commercial information about his company?

Tell them that you are not allowed to talk about wholesaler requests, the state of negotiations with wholesalers or about our negotiation strategy. It is however permissible to talk about end customers satisfaction with the wholesaler or about the opening of a new wholesale warehouse or the location of wholesale warehouses. As a rule of thumb you should keep in mind for any contact with competitors that you are not allowed to exchange information which, as a result, may prompt us or any competitor to adapt our/his business strategy, prices, product portfolio, production process etc. or at least to consider doing so.

Example 2: You attend a meeting of an interest group. The interest group comprises various manufacturers of a market sector which markets a specific product type. The participants discuss what conclusions should be drawn from a jointly assigned product study. In the course of the discussions it becomes clear that several changes of the product and modifications of the manufacturing process will be required to comply with certain technical standards/norms.

During lunch, a manufacturer tells you that the raw material prices and the results of the study will lead to a price increase. He states that, in his opinion, marketing efforts should focus on the improved product characteristics. The meeting as such may be deemed legitimate but you must always keep in mind when having contact with competitors not to discuss any impermissible subjects. Anything going beyond the legitimate purpose of joint development and marketing of products (such as any information about the participants' own marketing activities, prices, markets or the exchange of information about production or purchase costs) is inadmissible.

So, if the conversation is about a price increase in raw material and its effects on production costs and prices, you have to distance yourself from such discussion and make clear that you do not want to participate in such an information exchange. This also applies to other sensitive information relating to customers, turnover, sales figures, capacities, investments, innovations and technologies. It may at best be admissible to talk about overall sales or business developments in general which do not allow any conclusions to be drawn as to specific products or individual manufacturers.

Example 3: You participate in a trade fair and present our products. An employee of a competitor visits your stand and introduces himself as an employee of the competitor. He says that he would like to learn more about product developments and asks about specific products exhibited at the stand. He wants to know

prices, productions and development costs as well as the materials used. *How should you react?*

Do not disclose any information to that person other than that contained in the product brochures, price sheets, or other information already available at the stand or your company website. Information relating to market launch, production and development costs as well as know-how is highly sensitive business information. An exchange of this information constitutes a violation of competition law. Even if that person offers to disclose information about the competitor's product development etc., too, you are not allowed to provide him with such sensitive information.

Q&A

Question 1: I received confidential business information about a competitor. *What should I do?*

Answer 1: It is decisive where the information comes from. If, for instance, the wholesaler voluntarily provides you with information about the terms and conditions of your competitor, such information is legitimate and you can also use it in your own price negotiations. If such information is however received from a competitor, the principles explained in the examples above apply. Generally, you are not allowed to use such information. Immediately speak to the sales management or your manager about the situation.

Question 2: I am participating in a working group in which representatives of competitors also participate. I sometimes pick up relevant information at these events. *What can I do with this information?*

Answer 2: The principles explained in the examples above apply. In personal conversations you must reject such an information exchange. You are not allowed to use such information. Immediately speak to the sales management or your manager about the situation.

Question 3: We have a strong market position (usually more than 20%) in a specific product sector. A wholesaler requests higher discounts. We are willing to grant a significant discount because it is an important customer. *May I grant such a significant discount? May I do this subject to the condition that the wholesaler delists one of our competitors?*

Answer 3: Make sure you contact your manager so that prior legal advice can be obtained before agreeing with this customer on a discount, even though it is the wish of the customer. In many countries in which we do business, dominant companies are not allowed under competition law to set discounts freely. Without prior legal review, a dominant company also cannot initiate or force delisting of competitors.

Annex 2 – Export control

Kersten is committed to investigate any concerns on severe adverse human rights impacts and in case these are discovered Kersten will act appropriately without delay.

Further explanation

International business is subject to various export control laws and sanction programs. Violation of such laws and programs may result in significant fines and may cause substantial reputational harm. This Annex - Export Control concentrates on EU and US export control laws and sanction programs. Export control laws and sanction programs of other countries may also be applicable in concrete situations. The below description provides a high-level guidance of very complex regulations and in case of doubt prior legal advice should be obtained. For questions you should contact your manager or Kersten.

In addition, special care should be taken in relation to any potential direct or indirect business with companies or persons in Cuba, Iran, North-Korea, Sudan or Syria. You should in such case always first contact your manager and Kersten before any other actions are taken.

Practical application

As a general rule, the following steps should be taken before products or services are sold abroad:

- a) determine (a) the characteristics of the products or services involved as well as their (possible) applications, (b) the destination of the products or services involved (country and end-user);
- b) determine which employees of Kersten are involved (their nationality may trigger the applicability of their home country's export control laws) and which intermediaries and banks (they may be sanctioned and/or their assets may be frozen);
- c) determine whether and which export controls and/or sanction programs apply;
- d) determine whether the transaction can proceed and under which conditions; and
- e) contact Kersten if you are uncertain if export restrictions are applicable.

Export control laws

EU and US export control laws prohibit or regulate the export, the re-export and transit of certain goods, technology, services, knowledge and software (a) with specified potential end-uses, (b) to specific end-users (such as Al-Qaida & Taliban associated individuals) and (c) to embargoed countries such as Iran, North-Korea, Sierra Leone or Afghanistan. EU and US export control laws also apply to the rendering of technical assistance

with regard to such products or services. If export control laws apply and export is prohibited, an export license is required or the export is otherwise regulated.

EU export controls: EU export control laws apply to the export of dual-use and military products or services. Dual-use products or services can be used for both civil and military purposes. The export of dual-use products or services is subject to the European dual-use regulation which requires prior authorization for extra- and intra-EU export or certain products or services. Examples are components for nuclear devices, aircrafts parts and high-pressure valves for propulsion. EU countries may require additional authorization requirements for the export of dual-use products or services.

US export controls: The US export administration regulations (EAR), apply to the export of US origin products or services (produced in or originated from the US) as well as foreign products which contain a certain amount of US origin content (material or technology). The products or services subject to the EAR are listed in the US commerce control list (CCL). Whether the export is prohibited or requires a license depends on the CCL-classification of the products or services, the ultimate country of destination, end-user and end-use of the products or services. The US International Traffic in Arms Regulations (ITAR) apply to the temporary import into and export from the US of defense articles and services regardless of their origin. The products so designated are summed up in the US munitions list. The US can deny licenses for temporary imports and exports of defense articles and services originating from or destined for certain countries such as Cuba, Syria or Venezuela.

Economic sanctions

The EU and the US have enacted various economic sanction programs against countries, individual legal entities and natural persons such as the Sudan, Syria and North Korea sanctions. The prohibitions and restrictions provided in these sanction programs differ widely and can pertain to:

- a) the export, import and transit of goods (such as tin, copper, lead, nickel and zinc from sanctioned countries);
- b) financial transactions or services or trade transactions if the contracting partner or banks are sanctioned; or
- c) the entering into a contract, transaction or a joint venture with a sanctioned party. The economic sanctions may partly overlap export control laws, such as components or services for weapons or enrichment-related, reprocessing or heavy water-related activities,

or nuclear weapon delivery systems. The sanctions can however also pertain to other goods, such as products produced by or for certain industry sectors (e.g. the oil and gas sector in Iran).

Examples

Example 1: Your EU-based company produces products designed for the civilian aerospace industry. Some of these products possibly may also be used for military purposes and therefore be subject to the European dual-use regulation. The export of such a product from an EU country to outside the EU requires prior authorization. In some cases, even intra-EU export may require authorization.

Example 2: Your EU-based company assembles products with US origin parts and US origin technology, both subject to US export control laws. When the assembled product is exported by an EU-based company, the US export control laws may apply to the assembled product and a US export license may be required.

Example 3: A US citizen employed by your US based R&D center wishes to discuss certain technology restricted by the US export control laws with another research team which employs a few foreign researchers. This release of technology may be

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considered an export from the US to the country of origin of the foreign researchers.

Q&A

Question 1: I work in the sales department of an Kersten company located in the US. We have received an order from a non-US company to supply a certain product. We have reason to believe that this company will resell the product while the final destination and end-use of the product are unknown. *What do we have to do?*

Answer 1: To determine whether and which US export control laws apply you should first determine the country of destination, the end-user and the end-use of the product. If this information is not available, you should contact your manager or Kersten.

Question 2: I work in the sales department of an Kersten company. We are about to supply a product which (possible) application is not an issue under any export control regime. *Would that mean that no export restrictions are applicable?*

Answer 2: No. The product itself is not the only relevant criterion to determine whether and which export restrictions are applicable as the country of destination and the end-user of the product should also be verified. If these are an embargoed country or a sanctioned party the supply may be prohibited or require a license.

Annex 3 – Prevention of fraud

Further explanation

Fraud is a deception that is deliberately practiced to secure unfair or unlawful gain and include deceit, concealment, skimming, forgery or alteration of (electronic) documents. Fraud may be committed by one person or by two or more (collusion) and may involve internal and/or external parties such as suppliers or customers. Kersten maintains a zero-tolerance approach for its companies, employees and business partners with regard to fraud.

Managers are responsible for ensuring they have identified fraud risks, having appropriate controls in place, and tracking the effectiveness of controls on an on-going basis. Each manager must make him or herself familiar with the types of improprieties that might occur within his or her area of responsibility, and must orient their personnel to be alert to any indications of potential fraud. Employees that detect or suspect any fraud must immediately report the matter to their manager or to Kersten. In addition, Kersten may initiate random checks on its companies to verify compliance with this Code of Conduct.

Examples

Example 1: An employee is requiring a kick back in order for a certain supplier to be selected. This means that for each purchase, the employee receives 2% of the contracted purchase price from the supplier. This is considered to be theft because apparently the purchase price for Kersten could have been 2% lower than the contracted price. Such behavior seriously harms Kersten and may result in instant dismissal of the employee concerned.

Example 2: An employee presents forged documents to Kersten in order to obtain financing for the purchase of material that he will sell for his own account. This is

considered theft as well and may result in instant dismissal of the employee concerned.

Example 3: An employee reported illness to his manager but used this time to paint his house. Effectively, such situation results in painting at the expenses of Kersten and could therefore be considered fraud.

Q&A

Question 1: *I suspect an employee of fraud and want to know what I must do?*

Answer 1: Please report the situation directly to your manager. If you suspect fraud, do not discuss the matter with any of the individuals involved and do not attempt to investigate or determine facts on your own. Your manager will review the matter and take the appropriate steps.

Question 2: *I suspect my manager to be involved in a fraud scheme and want to know what action to take.*

Answer 2: Report the situation to Kersten. The matter will then be reviewed without prejudice and investigated.

Question 3: *Will there be consequences for me if I misjudged the situation?*

Answer 3: Kersten appreciates its employees being committed to the company's interests and willing to raise concerns regarding suspicious situations. The ability to investigate and remediate fraud successfully depends on prompt and confidential reporting. You will of course not be affected for creating awareness for fraudulent conduct where in hindsight your judgement proved to be incorrect. It is of course never allowed to impeach someone intentionally without a justifiable reason.

Annex 4 – No corruption or bribery

Further explanation

Kersten is doing business around the world and its employees are subject to anti-bribery laws of many countries. Some of these anti-bribery laws also apply to bribery committed outside the countries where the Kersten group companies and their employees are domiciled (for instance the so-called UK Bribery Act and some individual provisions of the National criminal law). Kersten, its group companies, its employees and business partners should comply with all applicable antibribery laws, also when doing business abroad. It is Kersten' policy that bribery of persons in both the public and the private sector is always forbidden in all countries it does business, even if in a certain country exceptions are legally allowed. This Annex - No corruption or bribery provides general guidance and in case of doubt prior legal advice should be obtained. For questions you should contact your manager or Kersten.

What conduct is considered bribery?

Anti-bribery laws prohibit persons or companies from offering, promising or paying a bribe to a public official or person in the private sector to influence this person in his (official) acts or function. Likewise, it is prohibited to solicit or accept a bribe. A "bribe" may consist of any advantage or benefit that has a value. Small payments or benefits are therefore not per se excluded. The mere offering or promising of a bribe is prohibited. The bribe does not have to be actually paid or accepted. The person offering, promising or soliciting the bribe does also not necessarily have to be the recipient of the bribe (indirect payments are also prohibited). Antibribery laws in the various countries are quite broad and may apply not only to the actual briber and the person being bribed but also to anyone knowingly cooperating in, approving, directing or covering up the bribe. Most anti-bribery laws apply if a payment, offer or promise is made in exchange for some type of improper action or omission by the bribed person (or a contact of that person). An important factor is whether any influence is exerted to obtain or retain business or a business advantage such as (a) granting of a license or permit or awarding an assignment in circumstances where it may not otherwise be granted, (b) taking the decision not to investigate or prosecute an alleged offence by a company, or (c) providing confidential information to a company. It is not required that the intended recipient of the bribe is directly involved in awarding or directing the business advantage. The use of his influence to establish a certain result may be sufficient.

Corporate hospitality and promotional expenses, gifts and entertainment

Hospitality and promotional expenditure as well as offering and accepting gifts and entertainment are not considered bribery (a) if reasonable and proportionate as regards the value and timing, the impression

conveyed to third parties and the type of gift or entertainment, and (b) there is no intention to induce a person to improperly perform his function, to secure a business advantage or not. As a general rule, you should never offer or accept a gift or entertainment with a value exceeding EUR 100 or the local currency equivalent. In case you have any doubts about the appropriateness of hospitality, entertainment or a gift that you intend to offer or accept, you must always contact your manager first.

Facilitation payments and lawful government payments

Kersten prohibits all facilitation payments. Facilitation payments are small payments that are not prescribed by the written regulations in a certain country and are made to secure or expedite the performance of a routine governmental action (e.g. customs clearance). Payments to public officials that are prescribed by written regulations of the official's country, such as fees and payments for various government services, are not prohibited. Payments on top of such legally required amounts are strictly forbidden.

Liability for and prevention of bribery by associated persons

Kersten could be held liable for bribery by associated persons acting on its behalf. Kersten therefore requires that business partners acting on its behalf, such as agents and representatives, comply with all applicable anti-bribery laws. Consequently, all existing and future business partners must be investigated and selected with bribery risks in mind and the appropriate contractual arrangements should be made with these parties to avoid bribery risks. This investigation as well as the results of it must be documented. Any issues should be immediately notified to your manager.

Examples

Example 1: Your production plant is inspected by local officials every year. Local regulations require that the inspected company pays for the travel expenses, accommodation and meals of the inspection team. The payment is required by written regulation and therefore allowed. However, the travel expenses - if possible - must be approved in advance and only be reimbursed against receipts. The costs spent on accommodation and meals should be reasonable and proportionate. It is Kersten' policy that excessive hospitality spending is never permitted.

Example 2: You have received a Christmas gift from a local contractor. Although the gift is not exceptionally disproportionate you sense that he expects you to award him a contract in the future. You must inform your manager. You may consider the possibility to politely return the gift. If you keep the gift, you should not award

the contractor a contract without prior approval of your manager.

Example 3: You have submitted an application to the local government for the renewal of a certain permit. When you receive the invoice for the administrative charges you notice that these are considerably higher than they used to be. You must check whether the rise of the charges is prescribed by law. If not, you may not pay the invoice. You must contact the local government and request a corrected invoice for the charges payable by law. Furthermore, you must contact your manager.

Q&A

Question 1: We have applied for a permit to make adjustments to our plant. A local official has suggested that he may speed up the process against payment of a small amount. Such payments are not prohibited by local law. *May we accept the local official's offer?*

Answer 1: Such a payment qualifies as a facility payment. Although not covered by all anti-bribery laws, Kersten prohibits all facility payments. You are not allowed to accept the local official's offer and must report this to your manager.

Question 2: We invite a few directors of a valued client for drinks and dinner every year. *Is this allowed?*

Answer 2: Corporate hospitality aimed at maintaining a good relationship with clients is allowed. However, no undue influence may be exerted and any impression of bribery must always be avoided. For example, you should not treat the directors to a dinner with costs substantially exceeding the cost you would be prepared to pay privately for a diner.

Question 3: We recently have had some issues with the local government. A friend of one of our employees, who has good contacts within this local government, has helped us solve these issues. He has not requested any remuneration for this. *May we give him a present as a reward?*

Answer 3: It is allowed to give him a present to express thanks. However, note that a reward in arrears may be considered a bribe too. You must avoid the impression of bribery and the present therefore should be reasonable.

Annex 5 – Avoid conflicts of interest

Further explanation

What is a conflict of interest?

Employees are expected to avoid any actual or suspected conflict between the interests of Kersten and their own personal interests. Kersten recognizes that you are part of a family, have friends, act in volunteering jobs, and have specific personal responsibilities and interests. A conflict of interest can arise when you take actions or have personal interests that can interfere with your performance for Kersten. You should always declare any direct relationship with someone who may be tendering on a contract for Kersten if you have a direct involvement or management responsibility in awarding such a contract.

Full disclosure

You are required to disclose to your manager each actual or suspected conflict of interest situation in which you are directly or indirectly involved. You need to make this disclosure as soon as you become aware of facts giving rise to the actual or apparent conflict of interest.

Guidelines

If you are unsure as to whether a given situation creates a conflict of interest, raise the issue with your manager. Whilst it is impossible to describe every circumstance where a conflict of interest may arise, the following guidelines will help you avoid conflicts of interest:

- a) never allow your personal or financial interests to interfere with your work for Kersten;
- b) always be able to satisfactorily explain your decision to your manager and to your colleagues; and
- c) anticipate that for alleged conflicts of interest, appearances do matter!

Examples

Example 1: You or one of your family members owns a financial interest in an entity that wants to do business with Kersten and you are involved in the decision taking.

This is a clear issue that should be raised with your manager. Your manager will decide on any measures to ensure that you are not involved on behalf of Kersten regarding the possible relationship with this entity.

Example 2: You work in a research and development department of an Kersten company. Your brother works at sales department of a competitor. He proposed to start up a new business combining your and his knowledge. The knowledge that you have obtained during your work for Kersten is considered Kersten' intellectual property and may not be used by you for your own benefit or the benefit of your family members.

Q&A

Question 1: A good friend of mine works for a company that could be an important customer for Kersten. He approaches you, as a sales manager, to see whether Kersten would be interested in selling to his company. *What should I do?*

Answer 1: Report the situation to your manager and keep him fully informed of the deal and each step in the process. However, since it can result in an important customer for Kersten, there is no need to say no to the (potential) customer beforehand, unless the dealing would be on noncommercial terms.

Question 2: I am asked by a good friend to provide advice to his company that is in direct competition with Kersten. Although he seeks only technical advice, which seems not to be commercially sensitive, I am not sure what to do.

Answer 2: When considering such request, always involve your manager. He will ensure that your question is considered objectively. In addition, be aware that information sharing between competing businesses is in many cases forbidden due to competition laws. Reference is also made to the Annex - Avoiding unfair competition.

Annex 6 – Responsible work conduct

Kersten is committed to investigate any concerns on severe adverse human rights impacts and in case these are discovered Kersten will act appropriately without delay.

Further explanation

Company assets and funds

All property of Kersten may only be used for the intended business purposes. This includes but is not limited to:

- a) physical assets such as office equipment, plant facilities, tools, technical equipment, IT equipment and company cars;
- b) software, intellectual property rights and confidential information; and
- c) company funds, bank accounts and other company resources.

You must use company property only for the intended business purposes and guard it against misuse, loss or theft. Company funds may only be used for Kersten business purposes and may never be used for private purposes unless this has been approved by your manager. It is not permitted to combine business expenses such as lunches and travel trips with personal holidays with family members or friends without approval of your manager.

Use of IT and communication

Kersten's IT systems, software and all means of electronic communication, including the internet, shall be primarily used for business purposes and in the company's interest. The capacity for communications, antivirus software and licenses are implemented for business use and not for private use. Though some proportionate personal use of these systems may be inevitable, such use should be limited as much as possible and may never interfere with the intended business purposes. The IT systems may never be used in any way that can result in the storing or communicating of content that breaches applicable legislation, harassment of colleagues or third parties, or discrimination or other improper behavior. Only if there are justifiable suspicions that you do not act in accordance with this Code of Conduct or applicable legislation, Kersten preserves the right to monitor your use of the IT systems and electronic communications in accordance with applicable laws.

Intellectual property

Kersten has developed or purchased licenses for valuable intellectual property, including inventions, product names, software, engineering drawings, and confidential information for its business operation. You must strictly comply with the applicable intellectual property laws and license conditions. Unauthorized use or disclosure of company intellectual property is

forbidden and the intellectual property right of third parties must be fully respected.

Examples

Example 1: You are the coach of the soccer team of your child and urgently need to send a mailing to various sponsors for the next soccer tournament. It is not allowed to use the company e-mail service for this. Your company e-mail address contains the trade name of your company and interferes with the business purposes of this name. This can damage the image or reputation of Kersten. These mailings should be done with your private e-mail address outside office hours.

Example 2: An employee uses office supplies to provide his children with the necessary pens and pencils to do their homework. This is not allowed and is considered to be theft.

Example 3: An employee downloads illegal software that he prefers for enhancing his business presentation. This endangers the safety of Kersten's IT- systems and breaches third party intellectual property rights.

Q&A

Question 1: You receive an e-mail, apparently from a colleague, containing all kinds of confidential information. The e-mail turned out not to be intended for you but for another person within the company. *What should you do?*

Answer 1: Please make sure to (permanently) remove this email to make sure that the confidential information cannot be misused by someone and notify your colleague.

Question 2: I sometimes take my Kersten' laptop or USB stick at home to be able to work during the evening. Of course, there might a possibility that my laptop could be stolen in case of a burglary?

Answer 2: Never leave the laptop or storage devise unattended in your car or at public places. Ensure that the laptop or USB stick uses state of the art encryption and passwords to protect the company sensitive information. Ask your IT department for assistance before your store data on such devises. If the laptop has been stolen, report this immediately to your manager.

Question 3: You have to travel for a business meeting abroad with your complete management board. All managers decide to take the same flight to the final destination. *Is this allowed?*

Answer 3: To have the whole management board on one flight may be practical but should be avoided as much as possible. There is a (small) chance that something happens with the flight resulting in the loss of

the complete management board. This is mostly a personal tragedy but also an avoidable business continuity issue.

Annex 7 – Responsible work environment

Further explanation

Health and safety

Kersten strives for an accident free, secure and healthy working environment for all its employees and expects you to do your utmost best to ensure the same. Safety is especially important in our manufacturing locations, which are subject to workplace safety regulations. You must follow all applicable safety rules or instructions for the facility where you work and promptly report all accidents, near misses, potential hazards and environmental concerns to your manager. You may never put yourself or anyone else at risk of your health or safety, even if you think that such would make the work more efficient. Further, we will not tolerate any level of violence or the threat of violence in the workplace.

No child labor

Kersten abides by applicable legislation and regulations on child and adolescent labor, and shall strictly refrain from employing children under the minimum years of age.

No harassment and discrimination

Kersten does not tolerate harassment of any kind, including on the grounds of race, color, religion, gender, sexual orientation, national origin, age, disability or any other type of behavior that is hostile, disrespectful, abusive and/or humiliating.

Harassment or discrimination can take many forms, such as verbal, visual or physical. Such conduct will not be tolerated. Employment with Kersten is based solely upon individual merit and qualifications directly related to your job. If you or a colleague are being harassed or discriminated, you should immediately report the incident to your manager.

Equal opportunity

To be a leader in our business, we must be flexible, innovative, and creative and have an ability to accommodate other people's points of view. Kersten strives to equal opportunities for its employees, including the recruitment, promotion, compensation, training and development. We expect our managers to exercise leadership in this field by role modelling appropriate behavior.

No drugs or alcohol

Kersten will not tolerate any use of alcohol or drugs during working hours or even outside working hours when such use has an influence on your performance during working hours.

Examples

Example 1: An employee displays a screen saver with a cartoon that contains a harsh statement about Muslims. Such display will be seen as discriminatory and will not be tolerated. Be aware to act respectfully against any religion practiced by your colleagues.

example 2: An employee notices that the breath of his colleague regularly smells of alcohol. The employee tries to discuss this with his colleague, but he is not successful. The employee should go to his manager, since drinking could severely influence the functioning of his colleague and could, as a consequence, damage himself and other employees.

Q&A

Question 1: I suspect that one of our machines has an inadequate button, which could potentially be very dangerous. My manager does not want to initiate a replacement procedures because such procedure might put our weekly targets at risk. *What should I do?*

answer 1: If you manager does not take the appropriate actions, report this immediately to Kersten. Prevention of dangerous conditions will always prevail over meeting targets.

Question 2: My male colleague regularly makes sexual orientated comments on my appearance. I feel highly uncomfortable working with this colleague. *What should I do?*

Answer 2: First, discuss this situation with your manager. If your manager refuses to help you, report this situation to Kersten by using the contact form on our social intranet Kersten Connect. This form can also be used anonymously.

Annex 8 – Speak up!

Further explanation

In preventing misconduct, everyone working for Kersten has responsibilities and obligations of his own. The way we deal with our own observations is extremely important in that respect. This Annex - Speak Up! provides an overview of what is expected within Kersten, and why.

Reporting misconduct will allow Kersten to resolve misconduct swiftly and limit possible damage for our organization, employees, customers and other stakeholders. As such, discussing matters internally also contributes to an open work environment in which we can depend on each other to speak up, rather than allowing the situation to continue or seeking the involvement of outsiders in matters relating to our business. This is exactly the reason we are committed to creating conditions that allow employees and other persons working for Kersten to report safely and in a completely confidential way.

Always first report to your manager

First and foremost, every person working for an Kersten company must first report any (alleged or threatening) misconduct to his manager. Such misconduct can exist in the form of clear criminal offences including fraud or bribery but also less obvious offences such as exchanging price sensitive information with competitors or exporting products to sanctioned countries. If the manager cannot be involved, reporting should be done to a manager higher in rank, the general management or any other person dedicated by the relevant company for the handling of misconduct within that company. Insofar these company specific procedures cannot (any longer) be followed, the confidential advisor at Kersten can be contacted.

Please note that any breach of the first business principle of the code of conduct of Kersten and the relating annexes (business integrity) should always also be reported to the confidential advisor at Kersten.

Each manager, or other dedicated person to which (alleged or threatening) misconduct is reported, must ensure that a record of the report is made and that the managing director of the company concerned is informed as soon as possible of any such misconduct and the date when the report was received. If the person making the report has only reported misconduct to the confidential adviser of Kersten, the confidential adviser will, after verifying the misconduct, inform the managing director of that company on a confidential basis unless agreed otherwise with the person involved.

Personal complaints, complaints about a manager's style of leadership, or way of doing business should not be reported to the confidential advisor at Kersten but

should be reported within the own organization following each company's specific dedicated procedures.

The confidential advisor

The contact details of the confidential advisor and a dedicated contact form are published on our social intranet Kersten connect. Only the confidential advisor has access to communication via the Speak Up! section on Kersten Connect. The confidential advisor can serve as your primary contact in matters of conduct.

He is educated and trained to deal with these instances and will personally ensure you receive the necessary support. Employees who are directly employed by Kersten can choose to report any (alleged or threatening) misconduct of their colleagues to either the confidential advisor or if it concerns misconduct of members of the Management Board, the chairman of the Supervisory Board of Kersten.

Ask or tell

The confidential advisor also provides assistance with the assessment of a situation and whether or not it is appropriate to take any measures. If you are uncertain if certain conduct is allowed or if you have any concerns about possible wrongdoing in your company and you cannot discuss that with your manager or otherwise within your company, you can always in a confidential manner ask the confidential advisor at Kersten for his advice. No formal report will be made if only a question is asked.

Transparency & follow up

In order to ensure transparency, your report (whether via e-mail, telephone or the contact form Kersten Connect) will be put on record and is only visible for the confidential advisor and dedicated persons who are selected by the confidential advisor to assist on a case by case basis. Each such person is bound by strict confidentiality. The confidential advisor will confirm receipt of your report within 5 business days after the date of receipt but this is obviously only possible if you leave your contact details. You will be informed of the confidential advisor's point of view in the matter concerned as soon as reasonably possible but in any case, in 2 to 8 weeks in order to ensure you are also included in the follow-up process.

If you have reported a situation or behavior in accordance with the procedures set out in this Annex - Speak Up! and you have assumed, in good faith, such situation or behavior to be (threatening) misconduct, Kersten will do anything in its power to safeguard that you will not experience any sort of retaliation as a consequence of your report. In case you have misjudged the situation or behavior, this will not be held against you and the fact remains that you have

contributed to the work environment to which we are committed. However, making a report in bad faith may be subject to disciplinary actions as permitted by local law. Especially, unfounded reports, malicious reports, or reports made to hurt someone are strictly prohibited and considered a breach of employee's duties.

If under applicable law a person affected by reports must be informed on an investigation, we shall do so as soon as reasonably possible. Unless obliged by law or insofar you agree to disclose your identity, the confidential advisor will keep your identity strictly confidential.

Anonymous reporting and external parties

Although this is not the preferred route and we strongly encourage you to identify yourself to facilitate the investigation of your report, anonymous reporting to the confidential advisor is also possible via the Speak Up! form on Kersten Connect. Although you can in such case not be involved, it will allow the confidential advisor to investigate the matter. Anonymous reports are however always preferred over seeking the involvement of external parties. It is allowed to report alleged or threatened misconduct to a counsel for advice insofar that person is bound by professional confidentiality rules. In the following circumstances you may report the misconduct to an external third party (other than the above-mentioned counsel): (i) an acute danger in which a serious and urgent public interest requires an immediate external report, (ii) a previous internal report according to the same misconduct has not resulted in the misconduct being addressed, or (iii) a legal or statutory obligation to immediately report externally. In such cases you should also report the misconduct to the confidential advisor as soon as possible. Seeking attention from the press or through any kind of (social) media is always considered wholly inappropriate. The main message of this Annex is that you are encouraged to report (alleged or threatening) misconduct, that your report will be treated confidentially and that Kersten will do anything in its power to safeguard that you do not experience any kind of retaliation as a consequence.

Examples

Example 1: You happen to overhear a conversation between your sales manager and one of our competitors. The manager is obviously disclosing price sensitive information that is legally forbidden. This can be particularly harmful to our company. You can discuss this with your sales manager but should always report this to the managing director of your company and to the confidential advisor.

Example 2: Certain countries are sanctioned by economic means. As a consequence, there are certain restrictions to do business with these countries. You may witness certain practices meant to work around or circumvent these restrictions. For example: goods that are destined for an Iranian customer engaged in military goods are first shipped to a European customer. This may be intended to avoid or circumvent certain economic sanctions imposed on Iran. If you become aware of such possible workarounds, please report this immediately to the managing director of your company and to the confidential advisor.

Example 3: A safe work environment is of the utmost importance. If violations of safety regulations occur, this must be reported. If your manager does not take your concerns seriously and a dangerous situation continues, please communicate your observations to a manager higher in rank, the general management or any other person dedicated by the relevant company for the handling of misconduct within that company.

Example 4: If you discover that border security officials charged with the responsibility of checking products are offered payments or entertainment, this constitutes a criminal offense and could potentially ruin the reputation of our company. This bribery must be reported immediately to the managing director of your company and to the confidential advisor.

Q&A

Question 1: I suspect my manager of having effected a hiring policy that is discriminatory to certain groups. *What must I do?*

Answer 1: Discuss the situation with your manager. If your manager does not take your concerns seriously, please communicate your observations to any other person dedicated by the relevant company for the handling of misconduct.

Question 2: I have some very serious suspicions but I am afraid that sharing this information could harm people's reputations and jobs. *Is it normal to feel reluctant to report this?*

Answer 2: Yes, this is very normal and it shows compassion for your colleagues. However, failing to report may harm your company, Kersten and the jobs of people working there. Besides that, it is possible you have misjudged the situation and, if so, an investigation by the appropriate persons within your company or the confidential advisor may prove that.



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