

Code of Conduct

LEGROM GmbH

1. Purpose and objective

LEGROM GmbH is a company that manufactures and develops high-quality plastic injection molded parts which are used in industry and sold worldwide. Products include components for textile machines, flexible hose systems for conveying liquids and air, plastic bearing cages, technical plastic injection molded parts and injection molding tools and devices. The company has its headquarters in Schwäbisch Hall.

The company pursues the goal of at all times ensuring the high quality level of its products and services so that they meet the demanding requirements of its customers during operation in machinery. This is essential to ensure the safety of customers during machine operation. The company also values ethically sound and legally compliant business activities. Every activity should conform to the principles of integrity and a commitment to free and fair competition.

All employees of the company and management must conduct themselves in line with these principles. They thereby contribute to maintaining the reputation of the company and the trust of its customers.

The safety and satisfaction of employees is a high priority for LEGROM GmbH. The success of the company is critically dependent on the appreciation and regular education and training of its employees. In particular, a trusting relationship between employees and management is a high priority for the company. Management is the contact for its employees regarding all working concerns and, as such, strives to be available at all times.

The company is committed to sustainability in its business activities and the use of environmentally friendly processes and materials.

This Code of Conduct sets out the values, principles and behaviour that apply to the business activities of the company and are necessary to protect the company's interests. Clear regulation of processes in the company requires trusting collaboration between employees and with management and third parties.

All employees and management are bound by these regulations.

The company also requires that its business partners comply with these rules.

2. General principles of conduct

LEGROM GmbH expects its employees to behave in an ethically sound, honest and law-abiding manner. Management must exemplify these principles and values in its actions and behaviour and monitor compliance with the Code of Conduct.

The manufacture of components and assemblies for machinery requires a reliable and, to an enhanced degree, conscientious execution to which all employees are obliged to adhere. This is

necessary for the protection of customers who depend on the quality of the products and other services provided by LEGROM GmbH, including during hazardous activities.

Employees must behave respectfully and with integrity towards business partners and third parties. Their business practices should always reflect the ethical principles of the company.

Management and employees should foster fair interaction in a spirit of solidarity free of any unequal treatment and discrimination. Management and employees should, through their behaviour, contribute to the maintenance of a communicative and fair working environment.

Employees must handle technical systems and working equipment with care. Private use of company-owned working equipment is not permitted. The protection of the environment must always be observed. This applies to an even greater degree when dealing with hazardous substances and plants.

3. Occupational safety

Employees are expected to comply with applicable safety regulations for their own benefit and, moreover, to act in a reasonable manner. Each employee must inform him or herself in a conscientious manner about safety regulations and, if necessary, repeat this independently at least once a year. This obligation does not apply if renewed instruction through training or instruction measures from management occur within this period.

Every employee is responsible for averting danger from him or herself and third parties. The conduct of all employees must give priority to this. Every employee is obliged to report existing or threatening dangers to him or herself or others of which he or she has obtained direct or indirect knowledge to his or her supervisor without delay.

The company's technical systems and working equipment are state of the art and are subjected to regular safety inspections. Employees are expected to exercise due care and attention when handling these. Any employee who becomes aware of technical defects or other potentially dangerous circumstances is obliged to report these to his or her supervisor immediately.

4. Behaviour towards business partners, competitors and third parties

Employees must place a particular value on the observance of rules of conduct when dealing with business partners and third parties. They represent LEGROM GmbH and shape its reputation.

Business and private dealings with business partners must always be kept discernibly separate. This contributes to the avoidance of conflicts of interest and situations which give the impression of granting unjust advantages.

a) Acceptance and offering of gifts and other benefits

Any behaviour that, on becoming acquainted with others in the company or public, could give the impression of offering an unjust advantage is to be avoided.

No concerns will be expressed against the acceptance and offering of socially acceptable benefits of a low value. This is the case when such benefits do not exceed a value of EUR 30.00.

Moreover, all employees are under all circumstances strictly forbidden to accept gifts, money or other benefits from business partners, competitors or third parties or to offer these.

Other benefits include the granting of advantages, discounts or invitations which, for example, are associated with hospitality or monetary benefits. Exceptions to this rule are possible with the approval of management.

The acceptance or offering of cash, coin or loans is never permitted.

The above rules also apply to relatives of employees or other persons close to them.

Special sensitivity is to be exercised in dealing with officials and persons employed in healthcare. Due to the strict legal requirements involved, it can be particularly easy to give the impression of unlawfully influencing business processes. The rules mentioned are to be applied in a particularly restrictive manner here. Officials are, if necessary, to be advised that the approval of their superiors must be obtained.

The impression of giving an unjust advantage should also be avoided when working abroad. Business activities abroad demand additional consideration of specific national regulations relating to the acceptance and offering of benefits. Services provided in the context of hospitality, such as invitations, overnight stays or transport should therefore always be critically examined. In case of doubt, management must be informed and its approval awaited.

b) Contractual relationships with third parties

In advance of conclusion of contract with a third party, the latter's reliability is to be examined. In particular, the contracting party must confirm that its business activities are in accordance with the law and realised in accordance with applicable standards for the prevention of corruption. This also applies to the suppliers and negotiators of the company.

Criteria for checking the reliability of business partners are usually its internal business rules for the prevention of corruption and antitrust violations and compliance with labour regulations and regulations governing working hours and minimum wage limits.

If possible, the company should also contractually reserve the right to review the reliability of the business partner again during the contractual relationship and to obtain information and evidence for this purpose.

If anomalies become apparent during the review, management must be informed and its assessment awaited. If necessary, a detailed review and assessment of risks should be conducted.

If a third party has already been convicted of bribery or fraud or violations of labour or antitrust regulations, it is fundamentally forbidden to enter into business relations with this party for a period

of 5 years. Exceptions are possible with the approval of management if special circumstances justify this.

c) Conflicts of interest

Conflicts between private and business interests should be strictly avoided. Loyalty to the company is expected of all employees.

1. Financial participations

Financial participation of employees in competitors or business partners of LEGROM GmbH must be reported to and approved by management. The same applies to the involvement of relatives and other persons close to them if this could result in a conflict of interests.

2. Secondary employment

The exercise of secondary employment must be reported to and approved by management. Secondary employment is paid employment that is ancillary to the main occupation of an employee, freelancer or other employed person. This includes the role of a director, managing director or member of a supervisory, administrative or advisory board in a company that is not affiliated to LEGROM GmbH.

3. Business opportunities

It is forbidden for employees to take advantage of business opportunities to their own benefit or the benefit of third parties during their work for LEGROM GmbH.

5. Consideration of antitrust risks

The company is committed to fair and equitable competition. Every business activity of the company conforms to applicable antitrust rules.

Behaviour that is contrary to these rules and likely to restrict or distort competition is prohibited under all circumstances. It is especially forbidden to agree on prices for goods and services with competitors in advance of a business transaction or to gain information on the prices of competitors from sources which are not generally accessible.

Business activities abroad demand additional consideration of specific national antitrust regulations.

6. Money laundering

Employees of LEGROM GmbH are obliged to report transactions to management that give the impression that illegally obtained money is to be returned by them to the general money cycle.

In particular, mindfulness should be exercised when accepting unusual amounts of cash.

7. Donations and sponsorship

Decisions regarding pledges of donations and sponsorship are made exclusively by management. Donations and sponsorship must never be granted to private individuals. Moreover, it must be ensured that pledges of donations and sponsorship do not indicate any relationship to business operations. This could, in turn, give the impression of unfairly influencing business activity.

8. Documentation of business transactions

LEGROM GmbH keeps its trading books in accordance with legal regulations and internal guidelines. Proper accounting is subject to legal control mechanisms.

9. Confidentiality

Information and data, in particular business and trade secrets of LEGROM GmbH and their business partners, are to be treated confidentially. Forwarding of these to third parties both during the period of employment and after its termination is under no circumstances permitted.

Employees must actively participate in the protection of confidential data and protect it against accessing by third parties. If an employee becomes aware of technical problems which could affect data protection, he or she must report these immediately.

10. Dealing with the media

Communication with the media is the sole responsibility of management. Employees are not entitled to comment on the company to the media. Furthermore, attention is drawn to the confidentiality provisions in this respect.

11. Responsibility of management

Management is responsible for implementation of the Code of Conduct. It is also responsible for overseeing its enforcement. Management is the contact for questions concerning and ambiguities regarding regulations. Management should be informed without delay in the event of doubts concerning the compatibility of processes and behaviour with the Code of Conduct. Management is responsible for accepting notifications of breaches of this Code of Conduct and pursuing and resolving these. It must ensure that its employees are also available outside normal business hours in the event of emergencies.

If management becomes aware of possible breaches of the Code of Conduct, it is obliged to pursue and resolve these.

In the event of legal questions arising which, due to their difficulty or complexity, management cannot conclusively respond to, the advice of a lawyer must be sought. In this case, management must ensure that a lawyer is always available and the issue can be addressed in the short term.

At the same time, management must monitor compliance with the rules for occupational safety (No. 3). In particular, it must ensure that employees are informed annually concerning the rules regarding occupational safety. This can take the form of training seminars or other forms of instruction. The implementation of and participation of every employee in this instruction must be documented in writing.

12. Reporting incidents

Early detection of shortcomings can avert further damage to the company. Employees are therefore obliged to report breaches of the Code of Conduct of which they learn directly or indirectly immediately to management. This also applies if they merely suspect that a breach of the Code of Conduct has occurred.

Reporting of a violation will be treated confidentially and the identity of the person reporting any breach will not be revealed. Furthermore, the employee reporting any violation will not face any disciplinary consequences, provided he or she is not actively involved in the violation. This also applies if the violation reported proves to be unfounded, provided the employee had actual evidence of a violation and did not make the false accusation deliberately or recklessly.

Violations of the Code of Conduct may lead to personnel measures and in some instances even constitute criminal liability.

13. Accessibility of the Code of Conduct

This Code of Conduct is published on the internet presence of LEGROM GmbH and made electronically accessible internally to all employees. All employees must inform themselves independently about the provisions of the Code of Conduct, repeat this if necessary and contact management in the event of ambiguities. A review will be conducted at least every 2 years and, if necessary, regulations will be updated. Management must inform employees about publication and amendments.

14. Approved by management and released for publication.


Werner Reinhuber

Schwäbisch Hall, 24 Nov. 2017