

# Compliance Guidelines



**GROB Group**

# Preface

As an internationally operating company, we must fulfill a broad range of legal requirements on a daily basis. We have compiled all of these stipulations to create these **Compliance Guidelines**, which combine and update the current specifications of **GROB-WERKE GmbH & Co. KG** and its subsidiaries (hereinafter the “**GROB Group**”) and make them more transparent.

Every member of the **GROB Group** shall feel responsible for ensuring that the principles defined in the **Compliance Guidelines** are always complied with and that our philosophy is realized. There must be no exceptions. No short-term business or personal success or benefit justifies disregarding our success, our reputation or our goals. We will not tolerate any violation of the rules established in these **Compliance Guidelines** and will strictly counter them with sanctions.

Mindelheim, March 13, 2018

German Wankmiller, Wolfram Weber and Jochen Nahl

Members of the Board

**GROB Group**

# Affected parties

## 1. Partners

Each individual employee is part of the **GROB Group** and shall behave in accordance with the provisions of law and the guidelines set by us. Likewise, we expect our business partners to be of high integrity and to comply with all laws and relevant rules. In all of our business relationships, we work toward ensuring compliance with all legal requirements and the applicable standards and stipulations at **GROB Group**. We explicitly reserve the right to terminate cooperation with business partners if compliance with our standards and guidelines is not guaranteed.

## 2. Employee conduct

Each employee shall contribute individually to complying with our values by dutifully reporting any violations of our standards and helping to resolve them. A report is compulsory if the employee must assume that a criminal offense has been committed. In such a case, the first point of contact for our employees is their immediate supervisor.

## 3. Scope of application

The scope of application of these Compliance Guidelines encompasses all levels of the company; they apply uniformly to the management board, managers and all employees of the **GROB Group**. Improper conduct can adversely affect the economic success of the company as well as the acceptance of the **GROB Group** in the public and among business partners; therefore, such conduct must not be tolerated and will result in appropriate sanctions.

## Conflicts of interest

The **GROB Group** expects unconditional loyalty to the company from all employees. Potential conflicts of interest will not be tolerated.

All tasks shall be performed without personal or special interests, and in the interest and for the good of the company. If a conflict of interest cannot be precluded due to personal interests or ties to third parties, the relevant transaction shall be canceled immediately and reported to the company's compliance organization.

All employees, as well as the management board and managers, are strictly prohibited from participating in any commercial endeavor that competes with the **GROB Group's** business activities or that is apt to influence the **GROB Group's** business activities in any way. The same applies to secondary employment, which must generally be approved by the management board.

Any acceptance of benefits that, viewed objectively, are apt to influence business decisions – regardless of their nature – is prohibited.

## Bribery, corruption and money laundering

Another of our values is to oppose any kind of corruption. We operate with comprehensive transparency to prevent any appearance of corruption. In the same way, we combat money laundering and take particular care not to become involved in any acts of money laundering. We therefore generally refuse cash transactions insofar as they are not merely of minor importance.

Within the scope of business activities, all employees and all agents of the **GROB Group** are prohibited from obtaining improper benefits for business partners, their employees or other third parties with the aim of unlawfully influencing actions and decisions of the recipient of such a benefit, as well as from accepting, requiring or accepting the promise of such benefits.

Circumventing this improper acceptance of benefits by involving third parties is likewise not permitted. These principles also apply to relationships with government officials and public servants. In case of doubt, the advice of the compliance organization shall be obtained as a precaution.

In the event of any violation of the above principles, notice of termination of the respective employment relationship or termination of other existing contractual relationships, as well as claims for any damages caused by the misconduct at hand, must be expected.

## Competition law provisions/antitrust law

We are committed to fair and open competition on all world markets.

The **GROB Group** therefore undertakes not to use any unfair business practices to the detriment of competitors or other market players in its business dealings.

Neither the **GROB Group** itself nor its employees or other agents may resort to illegal and/or criminal business practices.

Unauthorized business practices include, in particular, agreements among market participants or concerted practices that are apt to effect or have as their object the prevention, restriction or distortion of competition.

## Responsible handling of gifts

All employees are required to prevent any situations in which there is a risk that they may come under social/business pressure or come into conflict with **GROB Group** interests.

For this reason, as a matter of principle, no gifts should be distributed or accepted – and if they are, then only in consultation with the management board in line with the applicable guidelines and laws.

The giving of gifts is fundamentally apt to influence the recipient's freedom of choice in the interest of the giver. The interests and reputation of the **GROB Group** can be affected and damaged either by giving or by accepting gifts. This applies to gifts of any kind, especially cash gifts, material gifts and exceptional promotional gifts.

Cash gifts are amounts in any form and any currency. The acceptance or giving of cash gifts is fundamentally prohibited.

Apart from this, the **GROB Group** gift guidelines apply to the distribution or acceptance of gifts of any kind.

## Donations and sponsorships

We do not make any direct or indirect donations to political organizations, parties, individual politicians or public officials unless we receive the explicit approval of the management board.

Other donations are regulated exclusively by the management board. All donations must be made in accordance with the applicable legal regulations.

These principles also apply to sponsorships in connection with community and social involvement.

Circumventing the rules and principles of these **Compliance Guidelines** by making any donations or entering into sponsorships is strictly prohibited.

## International business transactions

The **GROB Group** maintains business relationships in many countries worldwide and delivers its products to those countries. We are aware of the special legal requirements for international business transactions around the world.

We undertake to observe all customs and tax laws to avoid any undue reduction of taxes, duties or customs.

The **GROB Group** ensures that employees working in these areas are trained with regards to legal requirements and are adequately informed about new developments.

## Intellectual property

Intellectual property rights are of particular importance to the **GROB Group**. In this regard, patents, trademarks, regulatory approvals, copyrights, trade secrets and all associated rights, as well as property rights protected by law are fundamental. In addition to the protection of our own rights, which we firmly defend, we are also obligated to respect the intellectual property rights of third parties, and we shall ensure that our employees do the same.



## Internal knowledge

We undertake to be open, honest and responsible in our dealings with one another.

All **GROB Group** employees shall guarantee and ensure the fast and smooth exchange of information within the company. Information shall be passed on correctly and completely with the greatest possible transparency, provided that there are no opposing interests in maintaining confidentiality. Knowledge relevant to business activities must not be withheld, falsified or transmitted selectively in any way.

## Confidentiality

All **GROB Group** company and trade secrets must be kept strictly confidential.

This applies without exception to all information that the **GROB Group**, its contractual partners or their customers have an interest in keeping confidential. All employees are prohibited from transmitting such information to unauthorized parties unless the authority responsible for lifting confidentiality has given its express consent.

These obligations shall survive the termination of an employment or other contractual relationship.

## Data protection

We undertake to strictly comply with all data protection rules and regulations.

All **GROB Group** employees shall follow and comply with the principles for protecting the data of **GROB Group** employees, customers and investors. To guarantee comprehensive protection of personal data, the requisite care shall be taken in connection with the respective assigned task.

Defects that have occurred and obvious gaps in data protection shall be reported to the respective supervisor, the data protection officer and/or the compliance organization without delay.

## Company property and assets

All **GROB Group** employees are prohibited from using company property or assets for their own or external purposes.

Company property and assets are part of the company's capital and thus also the success of the **GROB Group**. All employees are therefore obligated to use the **GROB Group** property and assets appropriately, sparingly and in every respect responsibly and carefully.

## Diversity

We fight against every form of illegal employment and exploitation.

The **GROB Group** respects human dignity. We promote the observance and protection of human rights. All **GROB Group** employees shall ensure that human rights are upheld and protected in every respect, especially that an atmosphere of respectful coexistence is created and maintained and that no one is discriminated against on the basis of race, origin, religion, sex, disability, age or other personal characteristics.

## Safety/health

All **GROB Group** employees should create and maintain a safe and healthy working environment.

In doing so, full compliance with the company's applicable safety regulations is the number one priority.

Any violations of applicable safety regulations shall be reported to the respective supervisor, safety officer and/or the compliance organization without delay. Any non-compliance shall be stopped immediately and any deficiencies remedied.

## Quality and safety of **GROB Group** products

Our products provide our customers with innovative and high-quality production system solutions, universal machining centers and assembly systems. The quality and safety of our products are our primary concern and are regularly tested and – if necessary – approved by authorities. We shall implement any necessary improvements to the products immediately and in full, also in the interest of our customers. Should a defect or fault nevertheless have occurred in one of our products, we shall act directly and without delay to remedy it in accordance with the provisions of law and contractually agreed obligations.

## Environmental protection

The **GROB Group** and its employees undertake to protect the environment in all its aspects; especially the soil, water, air and biodiversity.

We pledge to take considerations regarding environmental and social issues, resource management and our infrastructure into account in all of our business decisions. All **GROB Group** employees are instructed to prevent the occurrence of damaging environmental impacts in connection with business activities through avoidance and preventive measures. Natural resources shall be treated with care in the interest of sustainable management.

All legal and official requirements and specifications in this area shall be strictly observed. Any violations shall be reported to the relevant supervisor and/or the compliance organization without delay. Any non-compliance shall be stopped immediately and any deficiencies remedied.

## Responsibilities

These **Compliance Guidelines** and the rules and principles contained therein are a fundamental part of our corporate culture. We align our business activities with the rules and principles stipulated in these **Compliance Guidelines**.

Both the enforcement and the monitoring of compliance with the stipulations of these **Compliance Guidelines** fall within the scope of the company's internal compliance organization.

The management board and the other managers undertake to exemplify the corporate culture and our philosophy and to convey the importance and the contents of these **Compliance Guidelines** to the **GROB Group** employees, and to support them in complying with these rules and principles.

The **GROB Group** compliance organization shall support each individual employee in implementing the stipulations of these **Compliance Guidelines**, assist them in an advisory capacity and train them in a number of different ways.

## Sanctions

Through its compliance organization, the **GROB Group** shall continuously monitor compliance with these **Compliance Guidelines** – if necessary also with external support.

It shall punish any violation of these **Compliance Guidelines** in an appropriate manner and shall ensure that any deficiencies are immediately remedied and, if appropriate, requirements and guidelines amended.