

Ethical guidelines

Status: July 2013

Meeting international requirements

With increasing growth and our expansion to new markets and countries the demands on our behavior in daily business and in dealing with our business partners have increased. In addition, new national and international legal requirements are introduced. We want to ensure compliance with laws and regulations in the countries in which we operate by setting the same standards for all locations.

The below ethical guideline is an essential component of the sense of justice of König + Co. GmbH. As such, it is derived from our internal standards and principles. We align ourselves to national and international standards.

It contains all principles and measures to ensure that legal representatives, employees and third parties behave in accordance with the rules.

Aim of the ethical guideline

With this guideline we want to manifest in writing our values and previous actions in dealing with each other as well as in regard to our customers, suppliers and third parties.

Aside from compliance with law and order (or all legislation) we are also dedicated to respecting the values of our company; this means the voluntary self-commitment and self-restraint even where the law grants scope for freedom.

Principles

Compliance with the law

For all employees of our company, it is self-explanatory to comply with the laws of states/countries in which they are working and with which they cooperate.

Orientation on internal guidelines

Our actions, both internally and with third parties are in accordance with our guidelines.

Integrity

Business ethics and integrity ensure our credibility. Misconduct and violations to our principles and guidelines may have serious consequences not only for the individual employee but also for our entire company and will therefore not be tolerated.

Scope of application¹

These principles and following guidelines have to be considered as an upper framework. They apply across all locations for the entire company and are the basis for specific regulations (codes of conduct), which also have to be taken into account.

They are applicable for all employees of König + Co. GmbH.

¹ Each individual location is free to define additional principles, especially to take into account country- and/or business-specific characteristics.



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Guidelines

We treat each other respectfully and in a fair manner.

We respect the human dignity. We do not tolerate any form of discrimination or harassment.

We consciously focus on the internationality of our company and its employees. We take a firm stand against discrimination by reason of gender, race, skin color, religion or ideology, political opinion, sexual identity, ethnic origin, age or disability.

We reject any form of forced labor.

No employee may be forced to work by violence and/or inadmissible measures.

Prohibition of child labor.

We tolerate neither child labor nor any other form of exploitation of children and adolescents.

We take responsibility for our employees

We are committed to ensure that all people working in the company can perform their tasks safely and remain healthy. Safety is a priority above all other corporate goals.

The high level of commitment shown by employees in the workplace is complemented by the company's social obligation to ensure the best possible working conditions. This includes the compliance with all legislation and the guidelines for working hours, minimum wage level as well as the respect for freedom of assembly of our employees according to the applicable laws.

We always keep corporate and personal interests separated

To be upright means for us to be sincere and righteous. We are committed to free and fair competition. We reject all actions that exclude, restrict or distort fair competition.

Our employees must preserve the interests of the company and must not use their professional position towards business partners and/or their employees for their own benefit or the benefit of third parties. The development of personal dependency or obligations towards business partners is not to be permitted.

We reject any kind of corruption as anti-competitive.

We take responsibility for our environment

We use all our experience, our technical know-how and our creativity to spare resources and avoid strain for people and the environment. We are constantly working on improvement of our environmental record and the use of our resources.

Management culture

The management's actions are directed towards the company's values and goals.

We expect in particular from our management to orientate their own behavior to the guidelines and thus to serve as an appropriate role model.

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We trust in competent and committed employees

In order to achieve our goals and follow our principles and guidelines, we trust in competent and committed employees.

To be upright also means that each of us takes responsibility for his actions. We rely on the collective responsibility of company management, executives and all employees in complying with our guidelines.

Misbehavior can result in far-reaching consequences for each individual personally, but also for the entire company. Therefore, any infringement of our principles and guidelines will not be tolerated and will be punished regardless of rank or person.

The code of conduct „presents / invitations (attachment 1) as well as „competition / corruption / integrity (attachment 2) is to be obeyed.



Bernd König



Jochen König

Management of König + Co. GmbH

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Ethical Guidelines attachment 1: gifts / invitations

Principles

In business transactions no gifts, payments, invitations or services are to be offered, promised, claimed, granted or accepted with the intention to affect a business relationship in an inadmissible way or without accordance with the law and/or the directives. This shall apply to the employees, business partners and also to any related third party (family members, friends, acquaintances, organizations etc.). The mere impression of inadmissible influence must be avoided.

Besides, the principle of self-commitment to act ethically and morally justifiable shall apply in every aspect. Responsibility for compliance with this Code of Conduct must be borne by each employee of the company. When in doubt, the respective supervisor must be consulted. These may contact the management in case of queries.

Presents and invitations

Both accepting and granting gifts and invitations can contribute to establishing business relationships or strengthening existing ones. However, when accepting / granting gifts and invitations the risks of reputation for König + Co. GmbH and damage to business interests as well as potential conflicts of interest must be considered.

Acceptance of gifts

The acceptance of gifts from business partners is always to be rejected.

Smaller gifts for which the value does not exceed 35 € (approximate amount per year and business partner), are usually exempt.

The acceptance of gifts with a value of more than 35 € may be necessary in some cases not to affect the business relationship with the business partner. This can be particularly necessary if it meets the local standards of hospitality. In such cases the gift may be accepted as an exception. This is, however, inevitably linked to the fact that the transaction is treated transparently, i.e. the receipt is communicated to the superior, who decides on the further proceeding. The business partners have to be informed accordingly.

Gifts of money

The acceptance of money is strictly forbidden.

Acceptance of invitations

Invitations from business partners may be accepted if occasion and scope of the invitation are appropriate. Invitations have to be within reasonable bounds of business hospitality and comply with laws and ethics.

Invitations to business lunches and dinners have to comply with the guidelines of occasion and social adequacy. Invitations may therefore only be accepted if:

- they are directly related to the initiation, improvement or maintenance of external business relationships
- they do not exceed the common local business standards

The acceptance of invitations by business partners without prevailing nature of business e. g. sports, cultural, evening or similar events are to be rejected in any case. They are only acceptable in

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exceptional cases if the invitations are directly related to local and temporal business obligations. Such invitations have to be reported to the superior in advance and be approved by him/her.

The participation of life partners of employees or persons closely associated with them is only possible in exceptional cases and requires the prior approval of the superior.

Granting of gifts and invitations

The following conditions are attached to the granting of gifts and invitations by employees of König + Co. GmbH – the granting:

- has to be directly related to the initiation, improvement or maintenance of business relationships
- It must not exceed the common local business standards or infringe laws and ethical guidelines, in particular the ethics/compliance guidelines of the recipient
- The value of gifts must not exceed €35 per year and recipient
- The transaction has to be transparent. For invitations, in particular the reason as well as the participants have to be documented. Gifts are to be sent to the recipient's business address.

Granting of gifts and invitations which eventually exceed the aforementioned values must be communicated to the superior and be approved by him/her in advance.

Consequences for non-compliance

Non-compliance with this guideline may result in disciplinary action.

Definition of terms

Gifts within the meaning of this Code of Conduct, are all values that are exchanged within the scope of a business relationship and for which the recipient does not render any counter-performance at an adequate market value. Gifts are in particular (list not exhaustive):

- Goods, services, tickets to events, memberships and journeys

Discounts may be accepted if they are granted to all employees of König + Co. GmbH.

In case of doubt about the gift's value and admissibility, the supervisor should be asked.

Business partners, within the meaning of this Code of Conduct, are both existing and potential customers, suppliers, competitors, consultants, external auditors and other business partners.

Ethical Guidelines attachment 2: competition / corruption / integrity

Introduction

König + Co. GmbH is committed to a free and fair competition and does not tolerate any form of corruption or bribery.

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Competition

Employees ensure the existence of competition by treating their business partners in a fair and correct way and disallowing personal dependencies or obligations to business partners to arise. Agreements or concerted practices between companies which prevent, restrict or distort competition are prohibited. Antitrust regulations must always be adhered to. Examples for agreements between competitors infringing antitrust law are, in particular, agreements concerning:

- prices or also intended price changes
- customers, sales areas
- production volumes or other market practices

In addition, the mere exchange of company-specific and the latest product and market data, such as in particular purchase and sales prices, offers, delivery quantities, production and distribution costs, calculation methods, capacity utilization, inventories, customers and market shares, can lead to an infringement of antitrust law.

For this reason, any discussion of sensitive antitrust issues is to be avoided. If doubts arise as to the legality of the conversational content, the dialogue partner must be informed of this immediately and the conversation must be terminated if necessary.

In case of an infringement, both the company and the employees involved may be fined, if necessary, even in different countries.

Corruption

We are against all forms of corruption. In our daily actions we also avoid any impression of corruption.

“Active“ corruption

Employees of König + Co. GmbH are not allowed to offer, promise or grant our business partners or officials presents, payments, invitations or services with the intention of influencing a business relationship in an inadmissible, illegal and / or non-compliant manner.

This also applies to third parties (family members, friends, acquaintances, organizations, etc.) close to the business partner / official. The mere impression of such an influence is to be avoided.

The code of conduct regarding presents and invitations (attachment 1) is to be adhered to.

“Passive“ corruption / integrity

Employees are not allowed to use their professional position to take advantage of the company's business partners. This also applies to advantages offered to close third parties (family members, friends, acquaintances, organizations, etc.). The code of conduct regarding presents and invitations (attachment 1) is to be adhered to.

Private interests and/or personal advantages must not influence our business decisions.

In private spheres, business relationships with business partners of König + Co. GmbH are to be avoided if this may lead to conflicts of interest.

The private assignment of business partners of the company is to be abstained from in particular if and to the extent that this could constitute the granting and/or acceptance of an advantage. The impression that an employee is not fulfilling these obligations is to be avoided. Therefore, any personal interest that might exist in connection with the performance of official duties must be



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communicated to the superior.

Employees who are related to business partners are not authorized to issue orders, approvals, or similar documents to such business partners without the prior approval of their supervisor.

Officials

Within the meaning of this Code of Conduct, are any representatives / employees of public authorities or other public institutions as well as civil servants / employees of government owned companies and public organizations. This also includes candidates for political office, political parties and their representatives and staff.