

1. Basic Principles

Law-abiding Conduct

We adhere to the principle of strict legality in all our actions, measures, contracts and other procedures, irrespective of whether or not this results in a benefit for C.A. PICARD. This includes among other things the payment of all due taxes and duties, the timely obtaining of official approvals and respect for the rights of third parties. Every employee is personally responsible for observing the laws, internal regulations, and provisions that apply within his or her area of responsibility.

It is strictly forbidden to request or encourage third parties to engage in an unlawful act, or to knowingly participate in any such act.

Role of Management

Every manager performs a role model function and is responsible for the adherence to and implementation of legal regulations and this Code of Conduct within his or her area of responsibility. This responsibility includes investigating actual or suspected infringements within his or her area and initiating appropriate disciplinary consequences.

Responsibility for the Reputation of C.A. PICARD

All employees must be mindful of the reputation of C.A. PICARD when fulfilling their duties.

Behaviour towards Employees

We are committed to protecting the personal dignity of each individual. We do not tolerate harassment of or discrimination against our employees, particularly on the basis of colour, gender, age, nationality, social background, religion, disability, or sexual orientation. We firmly reject the use of child labour, including its use by our business partners.

Decisions relating to personnel, such as employment or promotion, shall be based exclusively on performance, personality, ability, and suitability.

No employee will be placed at a disadvantage as a consequence of exercising his or her rights. We work with employee representatives in accordance with the statutory provisions in an open, constructive, and trusting manner.

2. Avoiding Conflicts of Interest

Commercial decisions shall be free of personal interests and shall be taken solely in the interest of the company. If a conflict of interest cannot be avoided, it must be disclosed without delay to the responsible management.

Capital Investment and Secondary Employment

Capital investments with competitors, customers or suppliers are only permitted in individual cases subject to the prior written approval of the responsible management.

Other secondary employment requires the prior written approval of the responsible personnel department.

Capital investments amounting to ten per cent or more with competitors, customers, or suppliers must be approved by the responsible management.

Indirect Influence

Transactions with companies, with which an employee, his/her (marital) partner or close family relatives are involved or employed in an executive capacity, may only be conducted with the prior written approval of the responsible management insofar as the employee is in a position to influence the business relationship, thereby creating a possible conflict of interest.

Hiring Business Partners for Private Purposes

Employees may only hire a business partner of C.A. PICARD for private purposes with the written agreement of the responsible management insofar as the employees have a direct commercial involvement in the placing or processing of orders, thereby creating a possible conflict of interest. This does not apply to goods or services in general circulation.

3. Dealing with Information

Information Security and Confidentiality

The protection of information according to its value to the company must be guaranteed. This includes the non-disclosure of confidential information of any type. This obligation continues to apply after the end of the employment relationship.

The disclosure of information is bound by the principle of commercial necessity.

The confidentiality obligation must also be agreed with our business partners.

Data Protection

The protection of personal privacy when personal data is used must be guaranteed in all business processes, taking into account the applicable statutory requirements. Technical measures to prevent unauthorised access must be of an appropriate standard that corresponds with the state of the art.

4. Behaviour Towards Business Partners and Third Parties

Competition and Antitrust Legislation

Every employee is obligated to adhere to the rules of fair competition in the context of the statutory provisions. In particular, competitors are not permitted to allocate territories and customers amongst themselves, to enter into arrangements or to exchange information regarding pricing/pricing components, supply relationships and their terms as well as capacities or bidding approaches; the same applies to the exchange of information concerning market and investment strategies. Not only written contracts to this effect, but also oral agreements or tacit deliberate parallel behaviour are prohibited as a general rule. Consultation or exchanges of information concerning research and development projects are only permissible in tightly restricted exceptional cases. The market position of the company must not be unlawfully exploited, for example, for the purpose of price discrimination, the delivery of unsolicited products or the denial of delivery.

Supplier and Customer Relationships

Agreements with customers and suppliers must be fully and unambiguously agreed. Subsequent changes and supplements must be documented. This also relates to provisions, such as the payment of discounts, bonuses, advertising or sales promotion subsidies. The internal regulations concerning the use of the "dual-control principle" (see Procedural Rules) as well as for the activity and review functions must be strictly adhered to by all employees. Suppliers must be selected solely on a competitive basis following the comparison of the price, quality, performance and suitability of the products or services offered.

Corruption, Gifts and Other Benefits

Employees who allow themselves to be unfairly influenced by customers or suppliers, or who seek to exert an unfair influence over these will – irrespective of any criminal sanctions – be held accountable for their actions and disciplined. Attempts by suppliers or customers to unfairly influence employees in their decisions must be reported to the responsible management.

An extremely restrictive policy must be adhered to in relation to the giving and receiving of gifts and other benefits (for example, attendance at events of no business relevance) including invitations (from and to suppliers or customers).

Their financial value must not require the recipient to conceal their acceptance and must not place him or her in a position of obligatory dependence. In cases of doubt, approval in writing must be obtained from the responsible management. Commissions and payments made to official distributors, agents or consultants must be of a reasonable scope commensurate with their activities and performance. No services may be agreed for which it is assumed that they are intended wholly or in part for the payment of bribes. In the event of bribes and corruption, a right to terminate the contract without notice must be contractually agreed.

Donations

Donations are only made with the prior written approval of the company management. The recipient of the donation and its concrete use by the recipient must be known and transparent. Such donations must be awarded according to the principle of altruistic behaviour and must be clearly distinguished from sponsoring activities.

5. Occupational Safety, Health, Fire and Environmental Protection

It is the duty of all employees to avoid hazards to humans and the environment, to minimise impacts on the environment, and to use resources economically. Processes, business premises and operating resources must conform to the statutory and internal specifications regarding occupational safety as well as health, fire and environmental protection.

6. Behaviour in Cases of Doubt/Reporting Irregularities

Every employee is entitled to approach his respective manager or the Compliance Officer with queries or issues for clarification.

An employee who becomes aware of events that constitute or appear to constitute a violation of the applicable legislation or internal regulations can avail of various reporting channels. The employee may contact his or her superior or the Compliance Officer, who will initiate the requisite measures. If necessary, a report of this nature may be made anonymously. The information will be investigated; remedial measures are initiated, if necessary.

7. Supervision

The managers are obligated to organise their area of responsibility in a manner that ensures compliance with this Code of Conduct. Furthermore, the company management reserves the right to have companies, business divisions, departments or groups audited by persons or institutions appointed by it to determine the compliance with the relevant regulations, insofar as this does not contravene statutory or internal regulations. These types of audits may be announced or unannounced.

8. Sanctions

If infringements of laws, internal provisions, or basic principles of this Code of Conduct are discovered, disciplinary consequences will be initiated in response to intentional actions – irrespective of criminal sanctions. This shall apply irrespective of the perpetrator's position within the company.

9. Information and Training

The employees are regularly informed of current issues in conjunction with this Code of Conduct. Special training courses are regularly offered for specific topics (for example, product liability, labour and environmental legislation) and for selected areas of vulnerability (for example, Sales and Purchasing).

Information and Contacts

Additional information is available in the Intranet under: Compliance

Contact:

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