



# Code of Conduct of the Pfunder Group



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## 1 Preface of the Board of Management

The Pfunder Group is an international company which responds to the challenges of global competition and increased regulation. The constant change, the diversity of tasks and the ever expanding size of the company make it increasingly important for employees to perceive their work in a much larger context. Therefore company guidelines are of particular importance to our entrepreneurial activities and cooperation.

The Management Board and the Board of Directors of the Pfunder KG have approved a Code of Conduct, which sets out essential requirements executives and all other employees are expected to follow in their daily work.

The company's reputation and success depend substantially on the trust that our business partners, customers, shareholders, authorities and the public put in the responsible and lawful conduct of the Pfunder Group's employees. In this context executives must set the example for other employees to follow.

This guideline describes general principles of conduct and provides specific guidance to employees regarding conduct in certain sensitive areas. Lawful and responsible conduct must be deemed the natural course of action for company employees. Considering that, this guideline does not contain any new regulations, but aims to explain and illustrate the legal and ethical requirements applying to the conduct of our staff in their daily work.

This guideline applies to all companies of the Pfunder Group. Where rules of conduct have been laid down in a separate set of guidelines for individual divisions or companies those guidelines shall govern local activity and be applied in addition to this Code of Conduct.

In case of a conflict between a guideline or several guidelines and this Code of Conduct, it is every employee's duty to address this conflict with his or her supervisor to resolve the conflict. In case of doubt the Code of Conduct has priority, unless another regulation is defined for specific cases.

## 2 General Commitments

As part of its daily work, each employee is required to follow all relevant legal regulations and therefore, accordingly, each employee is required to know these relevant legal regulations.

In several countries, in which the Pfinder Group operates, legal regulations, provisions and commercial practices might define more stringent requirements than the ones which are mentioned in this Code of Conduct. In this case all employees are obligated to meet the more stringent requirements. In case that laws or legal regulations contain such provisions, which require different activities than those stated in the Code of Conduct and if these legal regulations offer various courses of action, the employee is required to choose those options that meet best the requirements of this Code of Conduct. In case there is a lack of clarity in specific regulations, the employee has to consult his or her supervisor or the Board of Management of the Pfinder Group.

## 3 Social responsibility

As a globally operating company we are aware of our corporate responsibility towards the environment and the society. In particular this includes the respect of the local and national cultures of the countries in which the Pfinder Group operates. The principles of responsible and good corporate management, the protection of the rights of our employee and human rights, the protection of the environment and quality management are an integral element of the corporate policy of the Pfinder Group.

## 4 Cooperation with business partners

### Benefits

Marketing and sales of Pfinder products underlie the general competition of price and performance. Purchasing decisions in favor of products from the Pfinder Group should only be made under quality and price aspects.

It is prohibited to grant benefits – whether gratuitously or for consideration, whether directly or indirectly – to employees, their families or business friends of companies with which Pfinder has business relations or representatives of authorities, when the benefit is connected to commercial transactions with business partners or authorities. It is also prohibited to grant any such benefits, in any form, to the named persons in order to influence purchasing decisions. Benefits that serve private purposes are similarly prohibited. This includes benefits granted to relatives of the named persons.

The following are exempt from the fundamental prohibition of benefits:

- Advertising gifts, e. g. items of little value which can be identified by a permanent and visible label of Pfinder, or other items of minor value

- Gifts for special events (for long service, Christmas, etc.) provided that these are given within a limit of EUR 30.

## **Maintenance of good business relations**

Business invitations to either lunch or dinner are permitted in connection with a business appointment up to EUR 30. The costs for accommodation and entertainment (e.g. theatre visits, sports events) shall only be borne by the Pfinder Group if these are initiated by the business appointment or are of less importance during a business appointment up to a limit of EUR 30. Business invitations must be announced to and permitted by the appropriate supervisor. If, in single cases, it is expected that the limit will be exceeded due to specific circumstances, a previous permission of the supervisor is necessary.

Employees of all companies of the Pfinder Group must also adhere to the foregoing regulations if they receive invitations from business partners. Invitations for events at which the business partner will not be present must be refused.

## **Discounts**

The particulars of all business agreed upon in the context of commercial transactions must be set down in written form. Particularly, the purchase price, including all direct or indirect cash discounts, discounts in kind or other rebates, must be listed on an invoice, or failing that, must be recorded in writing.

The repayment of discounts (so-called 'kickbacks') to employees of companies or their family members or business friends which have business relations with the Pfinder Group is not permitted.

It is also impermissible that

- discounts or rebates are used for expenses not connected to the commercial transaction;
- products that were provided to the Pfinder Group free of charge or at a reduced price are indirectly invoiced through increased prices in follow-up contracts.

## **Criminal actions and handling corporate property and corporate information**

Criminal and disingenuous behavior is not tolerated within the Pfinder Group. Criminal actions, especially theft and fraud will be immediately investigated, reported, and if applicable, prosecuted. This applies not only if the actions result in a disadvantage for the Pfinder Group and its companies but

also to third parties, especially disadvantages for customers or suppliers. If employees have a suspicion that criminal and disingenuous behavior might have occurred correlated to the company, they are required to report this to their supervisors or to the management.

For employees or representatives of the company, it is forbidden to press criminal charges in the name of the company against someone else, unless they have a written permission from the management to do so.

### **Antitrust**

The Pfunder Group conducts its business while observing and respecting the laws governing fair and free competition. This means that agreements with our competitors relating to prices or market shares are never allowed. Further, boycotts of customers or third parties or price-fixing are similarly prohibited. This provision also covers informal agreements such as casual arrangements or coordinated behavior aimed at restricting competition.

### **Anti-money laundering**

Money laundering describes the process of concealment of the origin of financial means of criminal activities like terrorism, drug trafficking or bribery by infiltrating financial means into the legal business cycle to give them an appearance of legality and to conceal the real origin and identity of the owners. The Pfunder Group supports all measures to avoid money laundering. When in doubt the employee must inform the management.

### **Trade regulations**

The Pfunder Group follows all export regulations and custom laws, provisions which apply in the countries where the Pfunder Group operates. All employees who deal with import and export of goods, services, hardware and software technology are obligated to comply with applicable regulations.

## **5 Working together within the company**

Executives within the Pfunder Group encourage employees through open and intense communication, transparency and team work. Each employee meets his colleagues with respect and openness. To keep and develop the qualification of employees, continuous training in company relevant subjects will be offered.

### **Equality of opportunity and discrimination**

Every employee of the Pfunder Group must be treated with fairness and respect. The company undertakes to observe the principles of equality of opportunity in hiring and promotion. Further, the company makes such decisions on the sole basis of the applicant's qualifications. If there are any

applicable national guidelines governing the proportion of any minorities concerned in the workforce, these guidelines are considered prior. In addition, the Pfunder Group respects the rights of its employees and undertakes to comply with all laws that prohibit discrimination and harassment at the workplace by reason of racial affiliation, skin color, religion, sex, nationality, sexual orientation, age, physical or mental condition, or marital status. Accordingly the employees have to align their actions to these principles.

## **Safety at work, healthy and environmental protection, quality**

The Pfunder Group ensures safe work conditions which comply with regulations on environmental protection, work safety and employment protection conditions. Due to the fact that every employee is co-responsible for the safety at work in his or her field, it is mandatory for every employee to be compliant with the regulations in order to ensure a safe work environment and to avoid health risks.

All activities of the Pfunder Group comply with regulations and applicable law of environmental protection. The reduction and avoidance of negative impact on the environment has a high priority. This principle contributes to the continuous development of new, environmental friendly products and production processes, in order to create a positive contribution of a sustainable development.

## **Violence and harassment at the workplace**

Violence at the workplace, including threats, intimidation, physical attacks and similar behavior, will not be tolerated. Any form of sexual harassment, whether by demanding sexual favors or other unwanted sexual contacts, will not be tolerated. Gestures and statements with sexual content as well as showing and distributing of pictures, comics or jokes with sexual origin are not tolerated.

## **Corporate information**

All non-public information regarding the business of the Pfunder Group is defined as company secret and has to be treated confidential. This information must be considered as an intangible asset, which must be protected like tangible assets. All employees of the Pfunder Group must take care that such information cannot be accessed by unauthorized persons - internal and external.

## **Conflicts of interest**

The staff of the Pfunder Group is obligated to separate private interests from those of the company, and to remain loyal to the Pfunder Group at all times. Any circumstance involving a conflict of interest must be avoided.

Conflicts of interest may, for example, arise in the following situations:

- an employee's private interests differ from those of the Pfunder Group
- an employee concludes contracts with a close relative

- an employee works as a freelance consultant for suppliers, customers or a competitor.

## Political activities

As a fundamental principle, the Pfunder Group does not get involved in political activities. This includes financial support/donations to parties, organizations and their representatives, as well as activities or events in the name or on premises of the Pfunder Group or its companies. Employees, however, are in no way prevented from taking part as private persons and citizens in political processes in an appropriate manner during their free time.

## Public statements

Statements or information concerning the company may be given only by persons authorized for this purpose. In the event of inquiries by the media or by other persons outside the company, unauthorized employees must always refer them to the Management Board.

## Drug policy

To enable business transactions to be performed and decisions made in line with the Pfunder Group's interests at all times, it is essential that the judgment of all staff members is always clear and unaffected by drugs. The purchase, possession, intake, distribution and sale of drugs during working hours and on premises of the Pfunder Group and their companies are accordingly prohibited.

## Software, email and internet

The software used at the Pfunder Group is protected by copyright, which must be respected in all cases. The relevant laws and ordinances regarding the use and copying of computer software must likewise be strictly followed.

In contrast to oral conversations, an email is a permanent document, which may remain stored on the company's computers for a lengthy period, and can be printed out and passed on by its recipient. It is accordingly essential that the required care and etiquette be maintained when sending emails. This applies particularly when sending files.

The usage of software, email and internet is defined in the IT guidelines.

## How to deal with the Code of Conduct

The Management Board is obliged to inform all its employees of this Code of Conduct. Violations of the law and of this Code of Conduct are unacceptable. Violations shall be punishable by (written) warnings, the enforcement of claims for damages or a notice of termination of employment. In case of doubt, employees should seek advice from the relevant departments in the company.

It is not enough to just take note of this Code of Conduct. Each employee is called upon to review his or her own conduct on the basis of the afore-mentioned standards and to recognize fields of activities where there is room for improvement.