

CODE OF CONDUCT

EACH AND EVERY ONE OF US IS RESPONSIBLE



COMPLIANCE



Content

Why do we need a Code of Conduct?	page 5
What does this code mean concretely for our behaviour?	page 7
What is the right way to behave?	Page 9
Our offer to you	page 11
Binding guidelines of conduct for all employees of MENNEKES	
1. Reliability and honesty	page 13
2. Compliance with laws	page 14
3. Initiation of business relations	page 14 - 16
4. Contract negotiations	page 17
5. Complaints management	page 17
6. Dealing with competitors	page 19
7. Presentation of MENNEKES in public	page 20
8. Careful handling of resources, expertise and business assets	page 21
9. Careful handling of data	page 23
10. Further principles of cooperation in our company	page 25 - 26
11. Environmental protection and resource efficiency	page 26 - 27
12. Avoiding conflicts of interest	page 27
13. Compliance with customs, export control and foreign laws	page 28
Contact	page 29
Regionally rooted, at home around the world.	page 30 - 31



Long-term customer loyalty is more important than short-term profit.



That's why we obey to laws and do what we promise our customers.

Why do we need a Code of Conduct?

Dear Colleagues

Over the decades, MENNEKES has acquired the reputation of a reliable, faithful, committed and fair business partner. But reputation is a fragile thing: a single illegal action of an employee can permanently damage this reputation. This is what we want to prevent.

Experience shows: in most cases violations are committed unconsciously, or at least without intent to cause damage. This, however, doesn't change the fact that unlawful conduct can lead to heavy fines, punitive damages and in some cases even imprisonment. This Code of Conduct is destined to protect you and MENNEKES against such consequences.

To draw the line between permissible and impermissible conduct, MENNEKES has developed the principles of conduct described in this code, which apply to all divisions and all employees, including executives. This „Code of Conduct“ defines the basic rules of our conduct in business transactions.

Please respect this Code of Conduct to avoid infringements – in your own interest and in the interest of MENNEKES.

Christopher Mennekes



What does this code mean concretely for our behaviour?

The behaviour of the MENNEKES employees should be compliant with the following guidelines in all situations that involve their activities for the company:

- We want to strengthen our market position through innovative spirit, quality and reliability – but not through corruption, bargaining or other unfair business practices.
- We are cost-efficient and work towards our economic independence – but not at the expense of the environment, health or safety of people.
- We make good deals – but not through false promises, fraud or trading on economic emergencies.
- We play a leading role in technology in our business areas – but not through the violation of patents and property rights or claiming the ideas of others as our own.
- We make no lame compromises and do not go into legal grey areas. If in doubt, we first make sure that our behaviour is legally correct.



What is the right way to behave?

Dear colleagues, to behave correctly you need to comply with the requirements of this Code of Conduct. Reflect critically on your own actions and go with your gut feeling. If you are not sure of the legitimacy or have a bad feeling before a decision, check first with your supervisor whether your conduct is legally correct.

If you subsequently notice that your actions may have been illegal, speak immediately to your supervisor and describe the situation. Your superior is in turn obliged to find a solution with our Central Compliance Commissioner. We assure you: the way MENNEKES expects loyalty from its employees, you can also expect loyalty from MENNEKES if your behaviour was not intentional and you did not want to harm anyone.

We ask you to read this Code of Conduct carefully and thank you for its consistent implementation in daily activities.

Kirchhundem, April 2019

Walter Mennekes
General Management

Christopher Mennekes
General Management

Christoph Epe
Managing Director Administration

Volker Lazzaro
Managing Director Technology



Our offer to you

If you suspect an infringement within the company and do not want to discuss it with your supervisor, contact Mrs. Gabriela Boström, our Compliance Officer.

You can reach Mrs. Boström at +49 2723 41-875 or via e-mail compliance@mennekes.de.

Should you not want to discuss the issue internally, alternatively, we offer you the possibility to contact an external Ombudsman (impartial arbitrator) who will investigate the issue in complete anonymity if you wish so.

You can reach him with the following contact data:

Attorney Carsten Sieg
ra-sieg@rae-heller-epe.de
Phone: +49 2761 893-21



Binding guidelines of conduct for all employees of MENNEKES

1. Reliability and honesty

We keep what we promise and assure our business partners. We only make legally binding statements if we are authorized to do so under our competence matrix.

We are honest. We never lure by false facts. We do not promise what we cannot keep. Reliability and customer satisfaction are more important to us than the maximisation of profit.

Should we not be able to keep an assurance contrary to expectations, we will promptly inform you about this and try to find a mutually satisfactory solution.

Electrical products are safety-critical. Therefore, we always follow the principle „safety first“. We ensure that our products at no time pose danger to people. Should we have any safety concerns or the slightest doubts as to the quality of our products, we discuss this immediately with our supervisor to arrange all necessary measures to protect the users.

Binding guidelines of conduct for all employees of MENNEKES

2. Compliance with laws

It goes without saying that we always comply with the applicable legal requirements. We reject any violation, even if we forgo a business opportunity. We do not disregard legal requirements and do not believe that legally doubtful behaviour remains unnoticed.

We are aware that certain situations are governed by behavioural standards prescribed by law, which are not included in this Code of Conduct. If in doubt, we make inquiries and do not seek excuses due to gaps in knowledge – because ignorance as we know does not protect against penalty.

We cannot tolerate violations committed by colleagues but speak openly about misconduct. We try to find a legally correct solution together.

3. Initiation of business relations

We impress potential customers by quality, durability of our products, good service, good value for money and MENNEKES reputation in the market.

We provide binding quotes and conditions only if our partner buys products and services directly from MENNEKES. This applies both to dealers who buy products from us, and to end customers, who acquire products and services directly from us.

We determine no resale prices for retailers and do not threaten with sanctions if a certain price level is not met. Nor do we grant bonuses or other financial incentives to our resellers for meeting a certain price level. This provision does not apply to our sales representatives – here we can determine binding sale prices. Non-binding price recommendations to our resellers are legally harmless as far as their compliance is not achieved through economic pressure or in any other way.

Binding guidelines of conduct for all employees of MENNEKES

When we talk to electricians, we only provide technical support and arrange contact to the wholesale trade. We do not promise any prices, at which the electrician can buy products in the wholesale, but we clearly point out that the wholesaler determines the price itself.

Those who are not sure whether they act legally correct, can ask themselves a simple question:
Would I behave the same way, if the facts would appear in the newspaper tomorrow?

We print binding resale prices of a retailer on price tags or in catalogues only if the retailer has asked us to do so and if it has determined the price. The same applies to promotions and product launches.

We do not allow corruption in the form of favours from our dealers and customers. At the same time we do not try to achieve loyalty of our dealers and customers by invitations or gifts which are prohibited by law or morally reprehensible.

We never offer potential business partners personal financial incentives to make a deal. We therefore avoid any donations to clubs or other third parties when business partners ask us to do so in connection with a contract conclusion or the continuation of an existing contractual relationship.

We stick to appropriate limits as regards invitations and gifts to business partners, which do not create difficulties for us or our business partners. Normally we make gifts only in connection with our company which simultaneously advertise MENNEKES products.

In doing so, we ensure that invitations are not directly related to business (for instance sporting events) and are not made in a period of contract conclusion or other transactions.

Binding guidelines of conduct for all employees of MENNEKES

We are aware that invitations and gifts to civil servants or other public officials (including employees of public companies) are particularly problematic because they are subject to stringent anti-corruption laws. Therefore we avoid gifts and invitations to public officials. Should we nevertheless send a gift or an appropriate invitation (for instance on the occasion of a service anniversary), we first ask whether such gift or invitation is acceptable for the official. If a public official insists on any benefit for themselves or a person or institution indicated by them, we discuss with our internal contact for compliance issues how to deal with such cases.

Trust your gut feeling. If you feel uncomfortable, you are most surely right. Do not promise anything in such cases and check first with your supervisor that your behaviour is legally correct.

We do not accept invitations or gifts which may influence our future behaviour in business dealings. And we do not accept invitations and gifts with illegal or morally reprehensible content. If the common business courtesy requires us to accept an invitation or a gift, we immediately report this to your supervisor. We explain the background for the invitation or gift, the estimated invitation value and the name and the company of the person inviting.

Binding guidelines of conduct for all employees of MENNEKES

4. Contract negotiations

During contract negotiations we handle our contract partners fairly. We make sure that our dealers and customers receive comparable prices and conditions for comparable quantities, sales or certain services provided to MENNEKES.

We demand no exclusivity of purchase from MENNEKES for products with high market shares (> 40%). In this case we also do not demand that the contractual partner buys 80% or more of its total needs from MENNEKES. In addition, we demand no retroactive bonus payment.

Our contractual partners should buy their products from MENNEKES because of their quality and not because of economic constraints or excessive economic incentives.

We do not trade on our good market position with regard to our individual products. We do not ask our customers to buy successful products „in package“ with other, less successful products. No do we demand from our customers to procure services and spare parts exclusively from MENNEKES.

5. Complaints management

We take complaints of our dealers and customers seriously. If they relate to technical defects of a product or misconduct of our employee, we check the legitimacy and take measures to eliminate the cause of complaint as quickly as possible.

If dealers complain that other dealers offer our products at too low prices, we answer that we have no right to influence the pricing of the dealers and that we will not respond to similar complaints in the future. We strictly follow this rule.



Binding guidelines of conduct for all employees of MENNEKES

6. Dealing with competitors

We conclude with our competitors no agreements about prices, conditions, customers or areas or other parameters that could restrict competition. Competitors are all companies whose products can be replaced by our products with the same function.

We do not discuss with our competitors production and business secrets. Nor do we discuss issues which could restrict competition.

We do not accept non-public information of our competitors regarding prices or conditions and do not provide such information to our competitors. Should we receive such information (e.g. price list) without request, we immediately send it back. In doing so, we state that we have not requested this information, have not read it and do not want to receive it in the future. We always report the issue to our internal contact for compliance issues at compliance@mennekes.de.

Disclosure of production and business secrets is not a harmless crime and is punishable in Germany. Employees who disclose production and business secrets of their employer or provide access to production and business secrets to other companies can be punished with up to three years of imprisonment.

Even if it would sometimes be interesting to know more about our competitors, we do not ask our customers (such as electrical wholesalers) to give us prices and conditions or to disclose other production and business secrets of our competitors.

Binding guidelines of conduct for all employees of MENNEKES

But if we bundle our interests with respect to politics with our competitors in associations and umbrella organisations, this is normally of no legal concern. To give transparency to our actions, we document the place and the occasion of our meetings with competitors in the association work and note the participants and the contents. If we think that the issues discussed at the meeting are legally questionable (such as adjustment of prices and transport costs), we ask immediately the other participants to stop the conversation on this topic. Even if we may appear unfriendly: If despite of that the conversation is continued, we leave the room and document this for our records specifying place, time, topic and participants (for example by sending an e-mail to our own e-mail address). The further procedure is discussed directly with our internal contact for compliance issues.

7. Presentation of MENNEKES in public

MENNEKES invests a lot in marketing activities to position itself credibly and effectively as brand supplier in the competitive environment. Other than for the important application of our brand and our company, presentation of MENNEKES in public may require more restraint. We do not disclose internal information and try not to give a wrong impression of the company and its products, neither by excessively positive nor by negative comments.

We do not advertise with unclear or wrong statements regarding functions, areas of application or effects of MENNEKES products. We do not criticise our competitors, suppliers or customers in public.

Binding guidelines of conduct for all employees of MENNEKES

8. Careful handling of resources, expertise and business assets

We treat the property of MENNEKES with care and use it only according to the intended purpose.

We do not use equipment and company premises without prior written consent of the Management Board for personal purposes. We do not reproduce company data manually or by means of electronic data carriers, unless we have been expressly authorised to do so by the Management Board.

We are aware that our expertise, patents, utility models, trademark and designs are the business assets of MENNEKES. This is why we never grant other users rights to such intellectual property without permission of the Management Board and without a licence agreement in the interest of MENNEKES. In turn, we do not use patents or other property rights of third parties without having obtained a prior written permission. We do not promise any sponsorship or donations by MENNEKES, unless we have been expressly authorised to do so by the Management Board.

We check whether we can claim government grants for individual projects. Should the promotion objective, contrary to expectations, not be achieved or should the funds not be able to be used for other reasons, we return the funds immediately back to the funding body.



Binding guidelines of conduct for all employees of MENNEKES

9. Careful handling of data

We respect the privacy of our customers and colleagues and always handle personal data confidentially. MENNEKES protects data about the identity of our business partners and the subject matter of the business relationship by suitable technical measures against unauthorised access by third parties. Should we have the slightest doubt that these protective mechanisms do not work, we immediately inform the Data Protection Supervisor at datenschutz@mennekes.de.

We do not open attachments or links in e-mails sent by persons not known to us and we transmit no data that may contain viruses to computers of MENNEKES.

We do not blindly trust identity data provided by callers and e-mail senders. If we have doubts, we ask them to give us a phone number so we can call them back or an alternative email address. Should a caller or an e-mail sender (even with the identity of a MENNEKES employee) ask us to send money to a third-party, we always ask a second person from our company to confirm such request to ensure the right to give payment instructions cannot be misused.



Binding guidelines of conduct for all employees of MENNEKES

10. Further principles of cooperation in our company

In our traditional business locations, we are accustomed to very high standards for many years, both with regard to our working as well as living environment. These high standards enable us to co-exist in a principled and peaceful manner. The observance of these basic principles, which determine the quality of our lives, is a matter of course for us.

Thus we support the application and dissemination of these basic principles with the goal of an inclusive and sustainable world economy for the benefit of all people, communities and markets, today and in the future.

Everyone's human rights are sacrosanct. We respect human rights and expect you as our employees to respect them as well.

We therefore advocate a ban on forced labour, child labour and human trafficking. These are incompatible with our moral standards and human rights. Therefore, we do not tolerate any violation of this prohibition.

We expect our employees to treat others with dignity and respect. Therefore, any conduct that harasses or humiliates others personally or sexually through words or gestures is to be avoided. Any use of psychological or physical coercion is also to be avoided and must be stopped by the supervisor.

In our company, we comply with the applicable working time regulations. The wage to be paid is appropriate and must not be below the statutory minimum wage.

The employment of young people is only permitted in observance of the strict legal limits and regulations.

Our employees have the right to organise themselves. An employee shall not be disadvantaged or favoured because of membership or performance of duties in such an organisation. As such we recognise the right to collective bargaining.

Our managers have a special responsibility. They function as role models for the employees. By their impeccable conduct, they demonstrate that it is important that we comply with all relevant legal regulations as well as with this Code of Conduct and the MENNEKES internal guidelines. As managers, they are duty-bound to create a working environment that is free from employee discrimination and harassment.

Binding guidelines of conduct for all employees of MENNEKES

11. Environmental protection and resource efficiency

Aware of our social responsibility, we work in a resource-conserving manner and avoid any danger to people and the environment.

As a matter of course, our corporate activities are geared towards sustainability and compliance with statutory environmental and occupational health and safety standards, both in Germany and abroad.

Our products are manufactured in the most environmentally friendly manner possible. This applies to the economical use of resources as well as emissions and waste generated during production. The environmental compatibility of our products and their manufacture is regularly reviewed in order to identify further improvements.

Our products burden our environment as little as possible. We ensure this by appropriate recycling or disposal methods so that environmentally harmful substances are safely managed throughout a product's service life and beyond.



Binding guidelines of conduct for all employees of MENNEKES

In so far as we are obliged to purchase raw materials for the manufacture of our products that originate from conflict or high-risk areas, we ensure that we do not finance armed groups either directly or indirectly.

We live up to our responsibility for our employees by consistently complying with the strict legal requirements for occupational safety in our company. To this end, we work together with the responsible authorities and institutions as well as with our business partners.

Nevertheless, if there are indications of environmental hazards from the manufacturing or use of MENNEKES goods, we will immediately inform the environmental protection officer at umweltschutz@MENNEKES.de or our occupational health and safety officer at arbeitsschutz@MENNEKES.de and remedy the situation.

12. Avoiding conflicts of interest

We are loyal to MENNEKES and avoid situations in which our private interests can conflict with the commercial interests of MENNEKES.

We do not work simultaneously for MENNEKES and a competitor and do not promote the activities of the competitors of MENNEKES otherwise.

Binding guidelines of conduct for all employees of MENNEKES

13. Compliance with customs, export control and foreign laws

Having our roots in the Sauerland region, we are aware that due to our global activity we have to follow international laws. In relations with foreign business partners, we observe all provisions of foreign trade, tax and customs legislation of the countries where we are active.

We are aware that legal provisions of other countries may differ from the German laws. In case of doubt as to the applicable law, we make enquiries and if necessary discuss the further procedure with our Central Compliance Commissioner (zoll-export@mennekes.de). In case of applicability of multiple legal systems we adhere to the strictest national law.

Contact

If you need help to understand the Code of Conduct or the way how to implement it in certain situation, please contact your supervisor or our central contact for compliance issues or our external Ombudsman (impartial arbitrator):

Your contact:

Gabriela Boström

compliance@mennekes.de

Phone: +49 2723 41-875

External Ombudsman:

Attorney Carsten Sieg

si@hep.legal

Phone: +49 2761 893-21

Regionally rooted, at home around the world.

Subsidiary:

- Great Britain
- USA
- China
- Singapore
- Italy
- France
- Russia
- India

Representative offices:

- Thailand
- Indonesia
- Malaysia
- Middle East
- Denmark
- Vietnam
- Netherlands
- Norway
- Sweden
- Switzerland



Regionally rooted, at home around the world.



REPRESENTATIONS • Partners

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