



PFISTERER

Corporate
Compliance
Programme

THE POWER CONNECTION

CABLE SYSTEMS | COMPONENTS | OVERHEAD LINES | RAILWAY CATENARY SYSTEMS

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1. PFISTERER Corporate Compliance Programme

“We deal with integrity, law-abiding and fairly with all our business partners!”



PFISTERER – the power connection.

Management Board and Supervisory Board

2. The ten principles of the PFISTERER Corporate Compliance Management

1. **PFISTERER** achieves competitive advantage exclusively through its entrepreneurial activities.
2. All forms of corruption and unofficial agreements are strictly rejected.
3. It is forbidden to accept or to offer advantages or benefits which could improperly influence decisions, whether directly or indirectly.
4. Local laws and regulations currently in force must be strictly complied with.
5. In the case of foreign business transactions, the standards of the respective receiving countries as well as any regulations applicable internationally (e.g. restrictions on trade) have to be observed.

6. Commissions and fees paid to consultants, representatives or agents must be reasonable in proportion to the services provided.
7. Any mixing of private and business interests can lead to conflicts of interest. Therefore it is rejected.
8. Every **PFISTERER employee** is obliged to protect the company's property and that of its business partners against damage, loss or misuse, by handling such property with due care and attention.
9. **PFISTERER's** intellectual property, in particular trade and commercial secrets, is to be handled confidentially.
10. **PFISTERER** on principle takes no part in political activities, whether directly or indirectly.

3. PFISTERER Code of Conduct

Preamble (extract)

The **PFISTERER Group** enables its **employees, business partners** and **competitors to act with integrity and fairness in compliance with the law** and without having to fear any disadvantages.

Our Code of Conduct is in line with our growth-oriented strategy and organisation and it is binding for all **employees of PFISTERER Group all over the world**. No form of illegal or unfair competitive practices will be tolerated and **PFISTERER** reserves itself the right to impose the appropriate **sanctions** wherever this is not complied with.

The **Management Board** and **executive personnel** on all levels obligate themselves to **provide an active example** of integrity in their everyday business behaviour, whilst guaranteeing that this code of conduct is implemented and complied with.

All **superiors** shall conveniently advise and instruct their employees. If there are dubious actions, they are the **first persons to get in contact with**.

No employee will have to suffer personal or professional disadvantages, if he or she should reject granting benefits. PFISTERER will accept any competitive disadvantages through not granting such benefits.

Standards of conduct

- **Acting in conformity with the law**

- The applicable laws and regulations have to be respected by all employees!
- In case of violation, any consequences in line with criminal law, liability and employment law are possible

- **Prohibition of corruption, handling all kinds of benefits**

- We stringently reject all kinds of prohibited arrangements and corruption
- No personal benefits should be promised, offered or granted to business partners in their business activities
- It is also prohibited to accept, demand or take promises for unacceptable benefits from business partners
- Caution is advised regarding public officials!
- In case of doubt you should seek advice from your superior

→ See Guideline for all type of benefits

Standards of conduct

- **Avoiding conflicts of interest**

- Mixing private and business interests may cause conflicts and is always disapproved of
- Any conflict of interest should be revealed
- Secondary employment has to be approved in advance

- **Property of the company and third parties**

- Every employee is obliged to protect the property of **PFISTERER Group** from damage, loss or misuse
- The same duty of care is to be considered regarding the property of business partners that is accessible to the **employees of PFISTERER**
- The company's property may not be used for non-operational purposes and any exception must be approved by the employee's superior in advance

Standards of conduct

- **Preserving trade and company secrets**

- All employees are obliged to preserve the trade and company secrets as the company's intellectual property

- **Consultancy agreements**

- Commissions/remunerations should be in appropriate rate to the services performed

- Consultancy and agent agreements may not be used to make payments in favour of third parties

→ See **Commission guidelines**

- **Sponsoring/donations**

- No participation of **PFISTERER Group** in political activities

- Donations to political organisations or persons shall require the approval of the responsible management

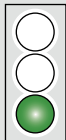
- Also donations, sponsoring services, etc. to other non-political parties shall require the approval of the responsible management

4. Guidelines for all types of benefits

Principles of allocation and acceptance of benefits

- Relevant laws and regulations must be complied with. Bribery is strictly prohibited!
- Benefits must not lead to the recipient making any improper decisions. The impression of any such intent must be avoided
- Principle of appropriateness: concerning gifts, customer entertainment, invitations, etc. be aware of the business situation and the hierarchical position of grantor and recipient!
- Protection of **PFISTERER**'s reputation: benefits should not lead to damaging our reputation
- We respect our business partners' relevant rules as far as we know them

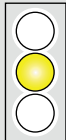
Rules for the supply of gifts and other benefits



Permitted without approval:

Advertising gifts and courtesy gifts of low material value

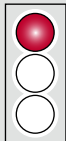
- Benchmark: maximum for tax deduction or max. EUR 75
- Gift must clearly originate from **PFISTERER** (logo, card, etc.)



Approval required:

Gifts of higher value that comply with rules of **PFISTERER**

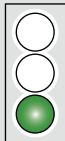
- Value > EUR 75
- Pre-approval of supervisor
- Documentation: nature and value of gift, name of recipient
- Gift must clearly originate from **PFISTERER** (logo, card, etc.)



Not permitted:

All types of monetary benefits (cash, bank transfer, loan, unjustified credit, etc.) and all other gifts which do not conform to **PFISTERER** rules

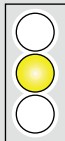
Rules for acceptance of gifts



Permitted without approval:

Advertising gifts and courtesy gifts of low value

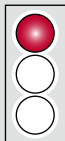
- Maximum value per gift: EUR 75
- Maximum annual value of gifts received from a business partner: EUR 75



Approval required:

High value gifts:

- Single value > EUR 75
- Total value of gifts received from a business partner > EUR 75
- Approval of superior required, documentation required

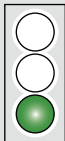


Not permitted:

All types of monetary contributions, monetary services (e.g. use of company's property, usage of benefits), claiming of gifts, all other types of gifts that are not compliant with **PFISTERER** rules

Rules for customer entertainment

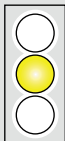
(invitations from business partners, participating in invitations from business partners)



Permitted without approval:

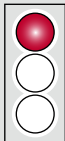
Common business meals:

- They must be in relation to the business
- Nature and scale of the hospitality must conform to the usual local business practices



Approval required:

Customer entertainment without obvious business relation: pre-approval from superior required

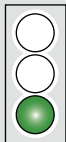


Not permitted:

Customer entertainment that does not comply with **PFISTERER** rules (e.g. very expensive meals)

Rules for invitations

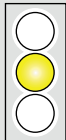
(invitations from business partners, participating in invitations from business partners)



Permitted without approval:

Events with immediate and obvious business relations, e.g. trade fairs:

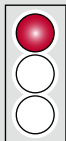
- Invitation is related to the business event itself, no travel expenses, accommodation, cultural entertainment programme, etc.
- If attendance at the expense of business partner: documentation required



Approval required:

Events with indirect business relation or non-business related elements:

- Public relations during sports events
- Extensive cultural programme on the occasion of a trade fair
- Pre-approval from superior required, documentation required

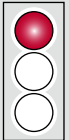


Not permitted:

Invitations that do not comply with **PFISTERER** rules (e.g. travels with mainly holiday character), claiming for invitations to events

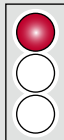
Rules for dealing with officials

- These aforementioned rules are applicable for the private sector only, not for officials!
- **Invitations, gifts and the supply of other benefits to officials for improper influence-independent of their value—are not permitted!**
- Invitations, gifts and the supply of other benefits to officials are permitted only insofar as they are consistent with the conduct guideline of their authority
 - In case of doubt: obtain permission of their authority
 - Invitation must be addressed to the authority, not to the official personally
 - Any suspicion that an official is to be improperly influenced must be avoided, in particular
- **Caution:**
Not only civil servants and judges are officials! All individuals who hold a public law office or are appointed in any other capacity to perform public administrative functions are officials. The form of organisation concerned is not decisive here. Also directors and executive employees of public utilities can be regarded as officials! On an international level the term is, in some cases, defined even more broadly.



Rules for “Facilitation Payments”

- Facilitation Payments: small sums of money or other low value contributions to low-ranking public servants to accelerate an entitled public routine procedure—a typical example: customs
- **PFISTERER Group rejects such payments as a matter of principle!**
- **PFISTERER follows the recommendations of the International Chamber of Commerce (www.ICCWBO.org)**
- If payment cannot be prevented (e.g. in order to prevent danger) you must:
 - Inform the management as quickly as possible
 - If possible, get approval of immediate management before payment
 - Obtain documentation



5. Commission guidelines

The rules for granting commissions to sales partners are necessary, because:

- **PFISTERER** may be liable for improper payments from assigned distributors (commercial agents, intermediaries, agents, brokers, other consultants)
- **PFISTERER** does not tolerate such payments and binds its sales partners by contract not to use commission payments for improper influence of clients (anti-corruption clause)

Single rules for the engagement of sales partners

- **Requirement of a written agreement**
 - **No business with sales partners and no commissions without a contract!**
 - In the absence of a contract there has to be a separate written agreement and documentation
 - In advance: monitoring of the business partner with help of the “checklist for the engagement of sales partners and for commissions or other payments”
 - The agreement has to include:
 - Name and address of the sales partner
 - Detailed description of the party’s obligations
 - Requirements for commission claim, and commission rate
 - Commission must be in reasonable proportion to the work and services performed
 - Official agreement only after approval of **group management**
 - Basically, in the case of public orders no public official should be appointed as a business or sales partner

Single rules for the engagement of sales partners

- **Commissions**

- Contractual provisions must be observed
- Payment only via bank transfer to the sales partner named in the contract
- **Payment only to an account of the sales partner's domicile**
- **Cash payments are not permissible!**
- Payments to third parties are not permissible!

- **Documentation**

- All transactions with sales partners must be accurately and clearly recorded in the **PFISTERER Group's** business accounts
- Records must be stored for the periods prescribed by law

6. PFISTERER Corporate Compliance Programme–overview

