

### > **Proof and documentation of incentives**

The general rule is that any invitations to third parties with a business connection must be proven and documented in the accounts and records.

### > **Subsequent approvals**

If it is no longer possible to carry out a thorough compliance check before accepting the gift without any negative consequences for the ongoing business relationship, the case must be discussed afterwards with the Compliance Officer. Together an assessment needs to be made as to the further course of action with respect to the incentive that is inappropriately classified from a compliance perspective.

### > **Invitation to national league football games and similar events**

When Klingele has an allocation of tickets to national league football games or similar events, these are primarily intended to promote customer loyalty.

A Klingele employee may accompany the customer or business partner to the event with the appropriate documentation. In exceptional cases, the Klingele employee may be accompanied by their partner if there are enough tickets available. This requires separate approval.

If the invited customer or business partner cannot accept our invitation, the internal dissemination of these tickets to Klingele employees must be done transparently and in a manner agreed with the management.



# Dealing with gifts and invitations at Klingele



- When dealing with business partners and the authorities, employees may only grant or accept benefits if they in no way give the impression of influencing business processes. Private and business interests must be kept strictly separate from one another.
- When assessing whether an incentive or invitation appears to constitute a benefit, it is not just a question of the absolute value of the incentive, but rather an overall assessment of all the circumstances.
- The acceptance of an invitation or a gift **from a value of €20** must be reported to the employee's direct supervisor and the plant manager or the managing director of a subsidiary or the head of central administration. Meals with business partners that are directly related to a business meeting are not subject to this reporting obligation.
- An invitation or gift **from a value of €50** per year and business partner must be approved by the plant manager. In many cases, the value of an invitation or gift is not known. The value must be estimated in these cases. In case of doubt, approval is required from the plant manager. The plant manager uses the following criteria to decide whether the invitation is approved or, whether in case of doubt, additional approval is required from the compliance officer.
- In the case of invitations **from a value of €200**, written approval is always required from the compliance officer. For invitations and incentives made to the management and the plant manager over a value of €200 per business partner and year, the required approval must be given in writing by Dr. Jan Klingele.

➤➤ Gifts and invitations must not be associated with expectations or obligations. ◀◀



### > Frequency

The frequency of incentives is an important criterion. A repeated incentive, in particular invitations or gifts, that are granted or accepted from a business partner more than once a year are problematic and must be handled accordingly in a restrictive manner. It may be assumed that this is undue influence on decision-makers if invitations and favours accumulate and the incentives become more and more valuable over time.

### > Time-related reference to the awarding of contracts

Special caution is required if invitations or gifts are given at a time close to the decision-making on the awarding of projects or conclusion of contracts.

### > Spouses

It is only possible for an employee's partner to accompany them to invitations and events in exceptional cases and this requires the approval of the employee's supervisor or the plant manager.

### > Public officials

Invitations or incentives to public officials constitute a particularly high risk and are therefore strictly prohibited.

### > Appropriateness

The decision as to whether an invitation or gift is socially acceptable in a specific situation plays a role in the overall assessment in addition to the above-mentioned factors, especially when also taking account of the local conditions and the income situation of the recipients.

