

Corporate Policy

Compliance

This Corporate Policy sets out the compliance principles in the areas of antitrust law, anti-corruption, money laundering and conflicts of interest.

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Table of contents

1. Purpose of the Corporate Policy	4
2. Scope	4
3. Responsibilities	4
4. Antitrust Law	5
4.1 Avoidance of antitrust violations	5
4.2 Overview of the applicable antitrust rules in Europe	6
4.2.1 Agreements between competitors (horizontal competition agreements)	6
4.2.2 Agreements between Supplier and Buyer (vertical competition agreements)	6
4.2.3 Enforcement of antitrust law	7
4.3 Participation in association meetings and market reporting systems	7
4.3.1 Membership in associations	7
4.3.2 Participation in market reporting systems and online platforms	9
4.4 Participation in tenders	10
5. Anti-Corruption	11
5.1 Acceptance of benefits	11
5.1.1 General principles	11
5.1.2 Duty of disclosure	11
5.1.3 Money and discounts	11
5.1.4 Services and support	11
5.1.5 Hospitality / Invitation / Events	12
5.2 Granting of benefits	12
5.2.1 General principles	12
5.2.2 Duty of disclosure	13
5.2.3 Money and discounts	13
5.2.4 Hospitality / Invitation / Events	13
6. Engagement of intermediaries	15
6.1 General	15
6.2 Arrangements	15
6.2.1 Selection of an intermediary	15
6.2.2 Mandatory contract contents	15
6.2.3 Terms of payment	16
6.2.4 Contract review	16

7.	Money laundering	17
7.1	Absolute cash limit.....	17
7.2	Examples of suspected money laundering cases.....	17
7.3	Transparency register	18
8.	Conflicts of interest	19
8.1	Typical cases of conflict of interest.....	19
8.1.1	Private business	19
8.1.2	Business with relatives.....	20
8.1.3	Own business	20
8.1.4	Other conflicts of interest	21
8.2	Possible reactions of the supervisor.....	21
9.	Compliance Due Diligence for M&A transactions	23
10.	Search operations by investigating bodies	24
10.1	Behaviour in case of a search	24
10.2	Communication and responsibility concept.....	24
11.	Other Applicable Regulations and Records.....	26
11.1	Other applicable regulations	26
11.2	Records.....	26
12.	Terms and Definitions	27
13.	Change history.....	29
14.	Notes on Understanding and Use	29
Annex -	Explanations and examples	30
	Antitrust Law	30
	Anti-Corruption	30
	Money and discounts.....	30
	Services and support.....	30
	Material gifts	31
	Hospitality / Invitations / Events.....	31
	Donations.....	32
	Sponsoring	32
	Material gifts	32
	Hospitality / Invitations / Events.....	32

1. Purpose of the Corporate Policy

This Group Policy regulates the responsibilities and minimum requirements for compliance within the BayWa Group.

It covers such compliance issues as anti-corruption, antitrust law, anti-money laundering and conflicts of interest.

The main task of BayWa AG's Corporate Compliance department is to provide Group-wide preventive advice and training for our employees. If you have any questions, do not hesitate to contact our colleagues at Corporate Compliance who will be happy to assist you at any time.

Violations of the compliance issues mentioned above can have serious consequences for BayWa and the persons involved:

- Employees risk criminal prosecution or personal fine. In addition, there is a risk of consequences under labor law, which may lead to dismissal.
- BayWa, the Board of Management and the management of the company are exposed to the risk of committing an administrative offence and receiving claims for damages which could result in a fine.
- Furthermore, suspected violations may result in reputational damages for the company and the persons involved, even though the suspicions are groundless.

Please note that legal provisions may vary from country to country. This could mean that some requirements are not covered by these Group Policy. Therefore, each company within the group is obliged to review this Group Policy for local legal conformity and to adjust it, if necessary.

2. Scope

This Group Policy applies to all companies of the BayWa Group, i.e. BayWa AG and all group companies and affiliated companies in which BayWa has economic control as well as their respective employees.

3. Responsibilities

Responsibilities are defined in the following Sections.

4. Antitrust Law

BayWa is committed to open markets and fair competition. We do not enter into any undue agreements with competitors, customers or suppliers. We are therefore prohibited from discussing or even agreeing on prices, market shares, capacities, investments, strategies, [tendering procedures](#) or similar matters with competitors.

4.1 Avoidance of antitrust violations

The following conduct will help you to avoid antitrust violations:

- Minimal or no contact with competitors,
- Consultation with Corporate Compliance prior to any critical contact with competitors (e.g. at association meetings),
- Immediate forwarding of letters from antitrust authorities to Corporate Compliance,
- In the event of a search of BayWa's premises and property by antitrust enforcement authorities, contact Corporate Compliance without delay (see Section 10),
- If there is any suspicion that BayWa could be regarded as dominant in a particular market, contact Corporate Compliance immediately for further review.

You should refrain from the following actions at all costs:

- Exchange with competitors about prices, price components, pricing models, market shares, capacities, investments, strategies, [tendering procedures](#) or similar topics,
- Conclude agreements with customers or suppliers that affect sales prices or sales territories or customer groups or lead to a long-term exclusive relationship without first obtaining the express consent of Corporate Compliance,
- Use wording in internal or external documents that could give the impression of conduct contrary to antitrust law,
- Engage in contacts with competitors involving an information exchange which allows conclusions to be drawn about the present or future business conduct of the information provider,
- Destroy documents which are subject to an antitrust investigation (especially in the case of a dawn raid),
- Intentionally give incorrect answers to questions asked by investigators during antitrust investigations.

4.2 Overview of the applicable antitrust rules in Europe

4.2.1 Agreements between competitors (horizontal competition agreements)

All agreements between companies which compete (so-called "horizontal relationship") are generally prohibited (so-called prohibition of cartels).

The prohibition of cartels applies, for example, to agreements between competitors which are used to:

- Fix purchase or sale prices or other price components or terms and conditions (e.g. determination of minimum prices or agreements regarding price increases),
- Share markets (e.g. allocation of sales territories or customers),
- Limit capacities (e.g. shortage of supply of a certain product) or
- Concert the course of action within the framework of tendering procedures (e.g. with regard to the submission of tenders; see Section 4.4).

A restricting agreement does not have to be in writing. It is sufficient that the parties agree orally or implicitly to take or refrain from taking certain measures (e.g. "gentlemen's agreement").

It is also prohibited to engage in concerted practices which can already be accepted by a unilateral declaration of a BayWa employee to a competitor - or vice versa – (e.g. announcement of a price increase).

An exchange of information or a targeted exchange of information involving customers or suppliers is also inadmissible (e.g. announcing a price increase to a customer with the intention that the customer passes the information on to a competitor).

4.2.2 Agreements between Supplier and Buyer (vertical competition agreements)

Vertical competition agreements may exist where the companies involved operate at different levels of the production or distribution chain. Such agreements may be also covered by the prohibition of cartels if they have as their object or effect the prevention or restriction of competition.

The following agreements or arrangements, which are particularly relevant in practice, can be regarded as restrictions of competition:

- Selling price maintenance – a supplier sets a (minimum) price at which retailers should resell their products;
- Market partitioning by territory or customer – a distributor is restricted in his decision where and to whom to sell;
- Long-term tying of a distributor to its supplier;
- Restrictions on online trading – a distributor is prohibited from making online sales.

4.2.3 Enforcement of antitrust law

Requests for information from antitrust authorities

Both the European Commission and the national antitrust authorities are responsible for the enforcement of antitrust law and the prosecution of infringements. In the past, investigation proceedings were often initiated by a letter from an antitrust authority in which specific questions were listed to the company.

Should such letters be addressed to BayWa, please forward them immediately to Corporate Compliance. Letters from an antitrust authority must only be answered after prior consultation with Corporate Compliance.

It is also common practice for an antitrust authority's audit activities to begin with an investigation on the premises of a company (so-called "dawn raid"). How to behave during a dawn raid is described in Section 10.

Preparation and safekeeping of documents

Written documents are of importance in the context of antitrust investigations. This applies to both internal and external records (e.g. emails, messages in messenger services, calendars, travel expense reports, memos or handwritten notes).

Therefore, when preparing documents, always make sure that an outsider may not get the impression that the documents contain content that is contrary to antitrust law. If sensitive information about competitors is disclosed through internal records, please always cite the source (e.g. publicly accessible sources such as media and annual reports or internal analysis).

4.3 Participation in association meetings and market reporting systems

The purpose of association meetings is to exchange information between a wide variety of companies and associations; in addition, common interests should be represented. However, association meetings can also be a suitable platform for unacceptable behavior and the exchange of sensitive information that may lead to antitrust violations. Small groups (committees etc.) are particularly susceptible to such exchanges.

In the past, cartel agreements have repeatedly occurred in various sectors in the context of or on the fringes of such events. Therefore, association meetings and information exchange via so-called market reporting systems are viewed particularly critically by antitrust authorities.

4.3.1 Membership in associations

a) Participation in an association meeting

Please request an agenda before attending such a meeting. This must be checked for contents relevant to antitrust law. Should you have any doubts in this regard, you can contact the respective Compliance Representative and/or Corporate Compliance at any time. Furthermore, you should ensure that the agenda is adhered to during the meeting. Official minutes should always be prepared and subsequently distributed to all participants. Carefully examine these minutes and send a notice with your formal objection if the content is incorrect.

Even passive participation in association meetings with contents contrary to antitrust law can lead to a joint liability of all participants. Should you discover that, contrary to the agenda distributed in advance, contents contrary to antitrust law are still being discussed, you must leave the event immediately and request to report your objection in the minutes of the meeting.

In order to comply with the strict legal requirements and avert imminent consequences for BayWa and the employees affected, the process described below must be adhered to.

Before the event	<ul style="list-style-type: none"> • Make sure that the group of participants of BayWa has been carefully selected and consider changing the participating employees on a regular basis if necessary. • Association meetings may only be attended if there is an agenda. • Before the meeting, check the agenda for critical antitrust information. • If in doubt, clarify suspicious agenda items immediately with Corporate Compliance.
During the event	<ul style="list-style-type: none"> • As far as possible, two people should take part in the event. • Make sure that the agenda is adhered to during the event. • Do not bring any documents containing trade secrets to association meetings. • If, despite prior examination, critical antitrust information is discussed, insist on abandoning the issue. • Under no circumstances take part in discussions about critical antitrust information. You can already be unintentionally involved in an antitrust agreement if only one participant discloses such critical information and you are merely listening to the explanations. • Agreements / exchanges about work areas or customers are prohibited. The same applies to calls to boycott other companies. • Even at informal meetings on the fringes of association meetings the discussions must not "slide" into antitrust critical information.
After the event	<ul style="list-style-type: none"> • Read the minutes of the meeting carefully, even if there were no incidents during the event which may be relevant to antitrust law and make sure that the minutes correspond to the actual proceedings. • Possible antitrust critical information must be reported immediately to Corporate Compliance. • You must report any contradictory wordings to the person who wrote the minutes and request such passages to be amended. • All records must be archived for at least five years.

Behaviour in the event of conduct in breach of antitrust law	<ul style="list-style-type: none"> • If, despite your request that the topic not be discussed further, antitrust critical information is discussed, leave the meeting immediately under protest and ensure that this is noted in the minutes. It is very important that your protest and your leaving of the meeting are recorded in the minutes. If a violation occurs in the further course of the event, you can document that you did not participate in this violation or that you objected the violation committed during the event. • In this case, also prepare your own minutes and send it together with all relevant documents to Corporate Compliance (compliance@baywa.de).
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b) Obligation to report changes and possible infringements

If violations of antitrust law are discovered during the association's work, e.g. discussions on competition-sensitive topics such as prices, quantities, discounts, you should contact the respective Compliance Representative and Corporate Compliance immediately. Membership of the association must be terminated immediately.

4.3.2 Participation in market reporting systems and online platforms

Even a single exchange of information between competitors can lead to a restriction of competition and thus to a breach of antitrust law.

This particularly applies to the exchange of information on prices or pricing factors. However, a restriction of competition may also exist if information on strategies, sales and market shares is exchanged among different companies. The same may apply in the case of unilateral disclosure of competition-relevant information. Antitrust provisions do not require the exchange of information to be bilateral.

Information relevant to competition law may only be exchanged in anonymous and aggregated form for market information. It must be ensured that the origin of the information can no longer be identified, that it does only cover information relating to the past and that any influence on current market developments can be ruled out. The data should also be collected by a neutral reporting center which is in a position to certify the origin and to ensure the confidentiality of the data to be collected.

If BayWa is to report internal company information to market reporting and market information systems (of stock exchanges, associations or other institutions), Corporate Compliance must be contacted in advance.

A standardized process ensures that the information to be transmitted is transmitted or communicated in a manner that conforms to antitrust law. Fill in the appropriate reporting form and send the document to compliance@baywa.de.

The reporting form is available on request from Corporate Compliance.

The fully completed reporting form allows Corporate Compliance to determine the risk in terms of antitrust law and, where necessary, to approve or reject the disclosure.

“Hub and Spoke” cartel

A comparable risk may arise, for example, from on-line software shared with competitors. Here, sensitive competitive information can be processed in the background without one being aware of it. If, for example, an algorithm evaluates price components (e.g. discounts) and automatically stores average prices or discounts for subsequent sales (for all competitors), this could have a negative effect on competition. This may constitute a violation of applicable antitrust law, even though the information was not exchanged directly with a competitor but through third parties.

If you have any questions or uncertainties, please contact Corporate Compliance.

4.4 Participation in tenders

As a matter of principle, you may not enter into any agreements with competitors and/or the tendering body within the framework of [invitations to tender](#). This may concern in particular:

- Agreements between competitors on the amounts in the bids to be submitted,
- Agreements between competitors on a possible sequence in several [invitations to tender](#) (so-called “ring agreements” according to which each competitor is to win a tender one after the other),
- Agreements with the tendering body on the design of the tender conditions that lead to BayWa’s preference or the circumvention of the applicable legal requirements (“[de facto award](#)”).

5. Anti-Corruption

The improper acceptance or granting of [benefits](#) can have far-reaching consequences for employees, the Management Board and the company.

In cases of doubt regarding the handling of benefits or this Corporate Policy, please contact Corporate Compliance.

5.1 Acceptance of benefits

5.1.1 General principles

These principles apply regardless of the nature or amount of the [benefits](#):

- Benefits may not be accepted by you as consideration for any particular conduct.
- To avoid any suspicion of unfair conduct, you may not accept benefits even if you are faced with a decision affecting the donor (e.g. conclusion or renewal of a contract). This also applies if you do not make the decision alone but can influence it.
- It is not permitted to actively demand benefits.
- Permissible gifts must be sent to the BayWa business address.

5.1.2 Duty of disclosure

Benefits **not exceeding EUR 35 per person** do not require any further discussion with your superior (exceptions: see 5.1.1).

The acceptance of benefits with a value of **more than EUR 35 per person** requires the prior informal consent of your superior. Should it not be possible, as an exception, to obtain this consent in advance, this must be done without delay after accepting the benefit.

Benefits whose value **exceeds EUR 100 per Person** may only be accepted in exceptional cases. In these cases, the written approval of the superior must be obtained and archived before acceptance (minimum information: company, name and position of the grantor, date, description of the benefit). Should it not be possible, as an exception, to obtain this consent in advance, this must be done without delay after accepting the benefit.

If legal provisions in your country stipulate lower thresholds or different documentation requirements such provisions must be reported to Corporate Compliance and complied with instead.

5.1.3 Money and discounts

Money (e.g. cash payments, bank transfers, credit notes) as well as benefits similar to money (e.g. vouchers with the possibility of cash payment, their equivalents, discounts not customary in the market or other rebates) may not be accepted.

5.1.4 Services and support

Free or excessively discounted services for personal use must be rejected.

5.1.5 Hospitality / Invitation / Events

This type of benefits must be linked to a business purpose (an invitation for private reasons is not permitted) and must be attended together with a business partner. The admissible value depends on what is appropriate for the specific date of the event and the personal circumstances of the guest.

Travel and accommodation costs shall always be paid by BayWa.

Pure training events are excluded from this regulation; for such events, the travel and accommodation costs may be borne by the organizer.

It is not permitted to attend an invitation accompanied by a private companion. Invitations to [cultural events](#) are an exception to this rule. These include, for example, cultural events, theatre performances or concerts.

For further examples please refer to the Annex to this Corporate Policy.

In cases of doubt which you cannot resolve with your supervisor, Corporate Compliance is available to provide information.

5.2 Granting of benefits

5.2.1 General principles

These principles apply regardless of the nature or amount of the [benefit](#):

- You may not grant a benefit in return for a particular conduct.
- To avoid any suspicion of unfair conduct, you may not grant benefits if the recipient is required to make a timely business decision of importance which could have consequences for BayWa or a Group company (e.g. conclusion of a contract, extension of a contract or award decision).
- [Public officials](#) (e.g. mayors) may not receive any benefits from you, as particularly strict rules apply here.
- It is not permitted to grant benefits to the recipient's private address.

[Donations](#) or sponsoring services to third parties who are not BayWa's contractual partners may also constitute a benefit within the meaning of these Group Policy.

Donations are cash or non-cash contributions to promote charitable interests which are made by BayWa without any consideration on the part of the recipient or third parties.

Sponsoring is the contractual partnership with an organization or an organizer in which the communication and marketing goals of BayWa are supported in return for remuneration.

The sponsoring performance must be proportionate to the sponsored activity.

Sponsoring commitments may be inadmissible if there is a connection to a business transaction with a customer of BayWa or the sponsoring commitment could create this impression.

Corporate Compliance is available at all times for advice on donations and sponsoring activities.

5.2.2 Duty of disclosure

Benefits that do **not exceed EUR 35 per Person** do not require any further discussion with your superior.

The granting of benefits with a value of **more than EUR 35 per Person** requires the prior informal consent of your superior. Should it not be possible, as an exception, to obtain this consent in advance, this must be done without delay after accepting the benefit.

Benefits whose value **exceeds EUR 100 per Person** may be awarded only in exceptional cases. In these cases, please obtain the written approval of your supervisor before granting the permit and archive this (minimum information: company, name and position of the recipient, date, description of the donation). If it is not possible to obtain this consent in advance, please do so as soon as possible after granting the benefit.

If legal provisions in your country stipulate lower thresholds or different documentation requirements such provisions must be complied with instead.

5.2.3 Money and discounts

Money (e.g. cash payments, bank transfers, credit notes) as well as benefits similar to money (e.g. vouchers with the possibility of cash payment, their equivalents, discounts not customary in the market or other rebates) may not be granted.

5.2.4 Hospitality / Invitation / Events

This type of [benefits](#) must be linked to a business purpose (an invitation for private reasons is not permitted) and must be attended together with a business partner. The admissible value depends on what is appropriate for the specific date of the event and the personal circumstances of the guest. Repeated invitations to a person should only be made at long intervals.

The invitation of business partners to information or further training events is permissible if the focus is clearly on the professional relevance of the event. In the interest of maximum transparency, an agenda must be sent out in advance of the event which allows a third party not involved in the event to understand the purpose, subject matter and course of the event. The agenda must also be adhered to subsequently.

The following principles apply regardless of the nature or amount of the invitation:

- The venue must be selected based on functional criteria and not based on its touristic value.
- Hospitality for [public officials](#) may have only a small value and should only take place if courtesy requires this.
- In general, BayWa does not bear any travel or accommodation costs. If in exceptional cases the travel and/or accommodation costs of the guest and a private companion are to be paid by BayWa, this must be approved by Corporate Compliance in advance.

- It should be avoided to invite a private companion to such events.

In cases which you cannot resolve with your superior, Corporate Compliance is available to provide information.

For further examples please refer to the Annex to this Corporate Policy.

6. Engagement of intermediaries

6.1 General

[Intermediaries](#) within the meaning of this Group Policy are commissioned to develop new sales channels or new sales regions. In some countries, such an approach is an essential prerequisite for a successful market entry or market presence.

However, [intermediaries](#) may also be commissioned to cover up illegal payments (money laundering) or bribery payments. Furthermore, payments for fictitious consulting services may be used to derive funds from the company and to use them unlawfully.

6.2 Arrangements

The following rules apply to intermediaries who do NOT have their place of business or activity in one of the countries having the score higher than 70 in the current Corruption Perception Index.

6.2.1 Selection of an intermediary

The following measures must be taken and documented in writing before a contract is concluded with an [intermediary](#):

- Appropriate examination of the qualifications, references and reputation of the intermediary (e.g.: proof of education, professional background, proven industry knowledge; Internet research, if necessary),
- Obtain at least two offers from different intermediaries (if not possible, please document in writing),
- Examination of compliance risks by Corporate Compliance before concluding a contract (Corporate Compliance provides a Business Partner questionnaire on request to collect data from the intermediary),
- Written documentation of the reasons for cooperation with the intermediary.

Please notify Corporate Compliance in advance of any assignment of claims of BayWa / the associated company to the intermediary planned during the business relationship.

6.2.2 Mandatory contract contents

Please use the standardized default contract template from Corporate Compliance to commission an [intermediary](#).

If you use your own contract template, please make sure that the following elements are included:

- The contract must contain specific provisions on the agreed remuneration, which must be in reasonable proportion to the value of the contractually agreed service.

- Commission payments shall not be unreasonably high compared to similar mandates of other intermediaries.
- The contract must include rules for expenses or other compensation, and these must be proportionate to the service to be provided; such expenses shall be reimbursed only after the intermediary has provided the corresponding bills and receipts. These documents shall be archived and kept for at least ten years.
- A bank account in the name of the intermediary must be indicated to which the remuneration to be paid is to be remitted. The registered office of the bank keeping the account must be in the same country as the registered offices of the intermediary.
- The services to be provided by the intermediary must be described in detail. The documentation of these services must also be clearly stated in the contract. It must contain provisions on the term of the contract, the notice period and the BayWa compliance clause (see Corporate Compliance's contract template);

The contract shall in any case be concluded in writing **before** the commencement of the intermediary's activity.

6.2.3 Terms of payment

Payments to [intermediaries](#) shall be cashless and shall only be permissible after the agreed service was (partially) delivered and such delivery has been documented in writing.

Advances for services still to be rendered may not be granted.

6.2.4 Contract review

Please send any intermediary agreements you wish to conclude to Corporate Compliance for review in good time before signing them. These are archived centrally by Corporate Compliance. This also applies if you use the contract template provided by Corporate Compliance.

7. Money laundering

Increased attention must be paid by every BayWa employee to ensure that BayWa is not unconsciously used for money laundering.

All BayWa companies therefore must examine whether there are certain regulations in their jurisdiction for the prevention of money laundering, in particular for the acceptance of cash payments and for the obligation to report suspicious money laundering cases to local authorities.

7.1 Absolute cash limit

All employees are strictly prohibited from making or receiving cash payments in excess of EUR 10,000 or more. In many countries there are legal limits for the acceptance of cash (so-called “cash limits”). Every company is obliged to comply with local legal requirements.

If a customer wants to split a payment whose amount exceeds the upper limit into two or more individual invoices („Smurfing“), you must reject the customer's proposal because the overall amount would exceed the cash payment limit. The absolute cash limit would then apply to the aggregated sum of all invoices combined.

All supervisors of employees with payment related responsibilities are responsible for monitoring the strict prohibition of cash transactions above the cash limit and ensuring compliance through appropriate controls.

7.2 Examples of suspected money laundering cases

There must be concrete indications of a suspicion of money laundering, such as (non-exhaustive list):

- The customer tries to avoid non-cash payments for higher-value transactions.
- The nature of the transaction does not seem to be in line with the customer and his presumed economic circumstances (e.g. an 18-year-old, previously unknown customer would like to buy an expensive agricultural machine in cash).
- The customer demands anonymity or tries to disguise his identity.
- You have doubts about the authenticity of documents submitted by the customer.
- The customer withdraws his purchase offer after having learned that further information is required due to his country of origin.
- The information on the identity of the contracting party, the beneficial owner or the payment modalities is corrected several times.
- The payment obligations are fulfilled by third parties without plausible reason. A plausible reason is, for example, payment by a direct family member or a parent company/subsidiary.

- Overpayments by the customer to BayWa's account, followed by a request to transfer the excess amount to another account of the business partner or a third party.
- Other indications (e.g. statements by the customer or third parties) that the customer has gained the means of payment from illegal or untaxed sources.

7.3 Transparency register

In many countries there are central registers in which companies must enter information on their beneficial owners (e.g. Germany: natural person with more than 25% of the capital shares and/or voting rights).

All BayWa companies must check whether such a central register and an obligation to notify the central register exist or will be established in the future in accordance with their local jurisdiction.

If such a legal obligation exists, the company concerned must report the information on its beneficial owner to the respective central register within the period prescribed by law.

Corporate Compliance will provide relevant information regarding the beneficial owner upon request.

8. Conflicts of interest

A conflict of interest exists if a professional decision can be influenced by private interests, thereby causing economic loss for BayWa.

The following must be considered in this context:

- Professional decisions must be made for the benefit of BayWa.
- Every employee must always strictly distinguish between the interests of BayWa and his private interests.
- Even if there only seems to be a conflict of interest this impression may have negative consequences.
- This may be the case if an independent third party could believe professional decisions were influenced by the personal interests of a BayWa employee.

A conflict of interest may arise in the following transactions:

- private business,
- business with relatives,
- own business.

Avoid situations that could result in a conflict of interest or situations which have the potential of being perceived as a conflict of interest.

If you cannot avoid a potential conflict of interest, you must report this conflict immediately in writing to your superior. An e-mail is sufficient to notify such a case. Your supervisor will then decide how to deal with the situation and inform you of this decision. The notification and the decision must be documented and archived by you and your supervisor.

In case of doubt, please contact Corporate Compliance.

8.1 Typical cases of conflict of interest

8.1.1 Private business

A private transaction exists if the following conditions are met:

- You as a BayWa employee would like to place an order with a business partner of BayWa for a private matter and
- you are managing the account of this business partner (e.g. conducting contract negotiations, initiating business relationships, etc.).

In such cases, conflicts of interest may arise, or it could appear to an independent third party that there is a conflict of interest.

It is not considered to be private business if you wish to place an order with a business partner of BayWa for a private matter and you are **not** responsible for this business partner but another colleague is the account manager for this business partner.

8.1.2 Business with relatives

It is considered to be business with relatives if:

- one of your relatives has a business relationship with BayWa, and
- you are the account manager or have other types of business contacts with this relative (e.g. conducting contract negotiations, placing orders, providing advice or otherwise initiating business relations, etc.) or
- you can influence the course of the business relationship with the relative (e.g. support of the business relationship by an employee reporting to you).

In such cases, conflicts of interest may arise, or it could appear to an independent third party that there is a conflict of interest.

A business with relatives is deemed not to exist if:

- one of your relatives has a business relationship with BayWa, and
 - you responsible for this relative but another colleague is the account manager for this relative
- and
- you have no influence on the course of the business relationship.

In such cases, there are no concerns regarding the business relationship with the relative. Such a business relationship is expressly welcomed.

8.1.3 Own business

Own business may be a

- transaction that you conclude on behalf of BayWa with a company in which you yourself have a relevant stake,
- transaction that you conclude with yourself on behalf of BayWa (e.g. as a consultant or freelancer),
- business opportunity of BayWa which you take advantage of yourself as a contractor.

In such cases, conflicts of interest may arise, or it could appear to an independent third party that there is a conflict of interest.

An own business is deemed not to exist if:

- you yourself or one of your companies has a business relationship with BayWa, and

- the business relationship is not managed by you or an employee reporting to you or can be influenced in any other way.

An own business, for example, can exist in the following situations:

- The use of trade secrets or other not publicly accessible data and information belonging to BayWa for your job as a consultant or your work for the company in which you have a stake.
- The participation in business transactions or decisions at BayWa affecting companies in which you have a stake or for which you conduct business.
- The participation in business transactions or decisions at BayWa which relate to your work as a consultant.

8.1.4 Other conflicts of interest

Another conflict of interest may exist, for example, if your private interest conflict with the business interests of BayWa or if an independent third party may get the impression that there is a conflict of interest.

There may be a conflict of interest in the following situation:

- Personal relationships with BayWa's business partners exceeding a general customary scope.

This is just one not exhaustive example to give you an idea of other types of conflict of interest.

In case of doubt, please contact your supervisor or Corporate Compliance.

8.2 Possible reactions of the supervisor

The supervisor has various options for dealing with the (potential) conflict of interest. The aim of the measure taken is to ensure that you are no longer solely responsible for your business partner or that another form of control for the business relationship with BayWa is established to ensure the necessary transparency.

Among other things, the following options for action can be considered:

- Any conclusion of a contract between BayWa and the business partner/relatives requires the prior written consent of the supervisor (four-eye principal).
- The management of the business relationship with the business partner/relative is assigned to another employee (please note: a delegation to an employee reporting to the employee with the potential conflict of interest is not permissible).
- Contracts with the business partner/relatives are additionally checked by another employee for their customary market practice (please note: contracts cannot be checked by employees reporting to the employee with the potential conflict of interest).

For own business activities, only the following courses of action may be considered:

The management of the business relationship must be assigned to another employee:

- a delegation to an employee reporting to the employee with the potential conflict of interest is not permissible;
- it must be demonstrated that the service in question is to be performed in line with normal market conditions; if the service in question can only be performed by the company/consultant concerned, this must be justified in writing, documented with descriptive documents and archived; and
- a written notification of the conflict of interest must be sent to Corporate Compliance as well as the written justification and any relevant documents must be transmitted, if applicable.

The measure taken must be adhered to as long as the (potential) conflict of interest exists. The supervisor must archive the notification and the action taken in writing.

9. Compliance Due Diligence for M&A transactions

When acquiring a company, compliance-relevant risks can be "bought in" unnoticed. In order to identify these risks at an early stage, every M&A transaction must be reported to Corporate Compliance in advance to conduct the necessary Compliance Due Diligence. The Compliance Due Diligence includes a business partner screening based on publicly available sources and a questionnaire.

The subsequent process also includes the acquisition of so-called "Special Purpose Vehicles" ("SPVs").

Pure shelf companies with no operating activities or employees are excluded from this process.

Compliance Due Diligence must be performed as part of a M&A transaction prior to signing of the contract. The first step is a business partner screening. Then, in a second step, information regarding potential compliance risks (antitrust law, anti-corruption, anti-money laundering and general questions about the compliance management system of the company to be acquired) is obtained from the seller by using a standardized questionnaire. Both steps are carried out by Corporate Compliance.

10. Search operations by investigating bodies

In official investigation proceedings (e.g. by antitrust, tax or customs authorities), there may be search activities, especially house searches, if a punishable act or an administrative offence is suspected to have taken place. Often, circumstantial evidence is sufficient, even if it proves to be unfounded during the investigation. A house search can even be carried out if the company itself is only involved as a witness. Since such investigation activities – which may also extend to private housing – are an exceptional situation, it is worth being prepared for them in the best possible way.

10.1 Behaviour in case of a search

The following regulations must be observed by all employees during a house search:

- As a rule, be friendly and constructive, but be aware of your rights. Do not let the situation develop into an interrogation. De-escalation is the order of the day.
- Immediately inform the intended persons and positions (in particular management and Corporate Compliance).
- No documents may be concealed, destroyed or altered (non-compliance may result in penalties for obstruction of punishment and high fines or administrative penalties for obstructing the search authorities).
- No other act of deception may be committed against the officials.
- Do not provide informal information and do not make assumptions.

Please note that requirements and obligations may vary from country to country. Corporate Compliance will be happy to advise you.

10.2 Communication and responsibility concept

To work effectively in an exceptional situation such as a search, a clear allocation of responsibilities is necessary.

Depending on the size and structure of your company, different people are to be informed during a search:

- Head of Corporate Compliance: This person is responsible for communicating with BayWa AG's head office,
- Head of Corporate Audit,
- Managing director and head of the branch or company,
- Head of the legal department, if available in your company,
- Data protection officer, if this task is not performed by the BayWa data protection officer or present in your company, company or investment,

- Head of the IT department, if available in your company.

It is advisable to nominate a deputy for all responsible persons and to note all contact persons on a telephone list.

Corporate Compliance will be happy to help you in creating a telephone list.

For BayWa AG and its German shareholdings, the requirements of the Compliance Policy are decisive.

11. Other Applicable Regulations and Records

11.1 Other applicable regulations

Compliance guideline (for BayWa AG and its German subsidiaries)

11.2 Records

The company must at all times be able to demonstrate compliance with the obligations to report suspicious activities and transactions.

All information collected in the context of potential suspicious cases and all corresponding reports to Corporate Compliance must therefore be documented in a comprehensible manner and kept for a period of at least five years. The period begins at the end of the calendar year in which the business relationship ends.

12. Terms and Definitions

Benefits	Benefits are all grants which personally benefit the recipient and to which no legal claim exist (e.g. gifts, hospitality, invitations to events or the payment of travel and accommodation expenses).
Cultural events	Cultural events include, for example, theatre performances or concerts. Executives from politics, business (e.g. business partners), media and culture may be invited to such events for an informal exchange of information.
De facto award	Illegal direct award of a contract to a company without conducting a formal procurement procedure.
Grant Recipient	Recipients of grants within the meaning of this Group Policy are not only BayWa employees or employees of the customer himself, but also their spouses or life partners, friends and other persons and organizations close to them if they are granted corresponding benefits.
Intermediaries	<p>Persons or organisations which are not affiliated with BayWa and which promote or bring about business transactions for BayWa.</p> <p>These could be:</p> <ul style="list-style-type: none"> - sales-related agents and consultants - real estate/land agent - lobbyists (with influence on politics and society) <p>Not within the scope of this Group Policy:</p> <ul style="list-style-type: none"> - grain broker or the like - lawyers, tax consultants or auditors (within the framework of their normal professional activities) - technical experts
Public Officials	Public Officials include, for example, state secretaries, ministers, mayors, tax officials and local government employees. The term also includes civil servants and judges, as well as employees of international organizations. Senior employees (e.g. managing directors or authorised signatories) of companies in which the public sector holds a majority interest or other private individuals who perform public administration tasks may also be regarded as public officials.

Smurfing	Conscious allocation of invoice amounts to avoid exceeding value thresholds.
Tender	<p>An invitation to tender is a procedure whereby the contracting authority, as the organiser of the invitation to tender, requests several suppliers (e.g. construction, services or trade) to submit offers for the provision of the required service / delivery of goods.</p> <p>One objective of tenders is to artificially create a market that allows the determination of a market price for the required service. The aim is to determine the best price-performance ratio for the client under the conditions of free competition.</p>
Tender agreement	(Punishable) anti-competitive agreement in the context of invitations to tender

13. Change history

The changes in this version of the Group Policy refer to the following sections:

- Membership in associations
- Anti-Corruption
- Engagement of intermediaries
- Compliance Due Diligence for M&A transactions

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Enter "First edition" here for the first edition

Latest version	Version 2
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14. Notes on Understanding and Use

For reasons of readability, gender-neutral or masculine forms have been chosen in the text; however, the information refers to all genders.

This Directive is intended for internal use only. Any transfer to third parties (outside BayWa) must be approved in advance by the owner in writing.

Please note that for printed versions of the policy, the current version is published in the Corporate Book.

Annex - Explanations and examples

Antitrust Law

Explanatory notes

Exclusionary conduct

An exclusionary conduct is a behavior which affects the competitive opportunities (e.g. entry into the market) of another undertaking. This includes the permanent offering of predatory prices to force a competitor out of the market. The antitrust authorities see a sign of a predatory pricing in the fact that the respective product is sold below cost price.

Exclusionary conduct is defined as any measure which adversely affects the competitive position of an undertaking concerned and includes, for example:

- long-term, exclusive purchase obligations,
- rebate or bonus systems (classical volume and functional rebates, on the other hand, are generally unproblematic; whereas loyalty rebate systems and total turnover rebate systems, which are calculated retrospectively, are regarded as a form of exclusionary conduct), or
- tying transactions.

Discrimination in pricing and discounts

There may be no discrimination against similar undertakings, i.e. they may not be treated differently without objective justification. If a supplier or an end customer is dependent on certain BayWa goods, the prices offered to him must not be disadvantageous in comparison with the prices offered to other customers. The dependency must not be exploited in this case.

Anti-Corruption

Money and discounts

Example:

A supplier offers you a discount of 30 percent on his products for your private building project if you purchase a certain volume of goods from the supplier in your function as a procurement manager of BayWa.

Evaluation:

Such an offer is inadmissible and, if accepted, could have consequences for you under criminal law and labour law. Never mix private and business interests. Reject the offer immediately and inform your supervisor.

Services and support

Example:

You are part of the sales force in a BayWa branch and a customer offers to paint your apartment free of charge if you grant him an additional discount of ten percent on the BayWa product range for the current year in return.

Evaluation:

The offer is inadmissible. Reject the offer and inform your supervisor.

Material gifts

Example:

In your capacity as a BayWa sales representative, one of your suppliers sends you a box of red wine worth EUR 100 to your private address for Christmas.

Evaluation:

High-quality gifts may only be accepted or granted in exceptional cases. Holidays like Christmas are not such an exception. The box of red wine must therefore be returned to the supplier. If you keep the wine, you may foster the impression that you prefer the supplier's products to competing products for inappropriate reasons, e.g. when providing advice to a customer.

In addition, for reasons of transparency, gifts must always be sent to the company address.

There may be the option to raffle the wine among the employees of BayWa at the Christmas party. In this case, the superior must approve the acceptance in writing in advance. In addition, you should draw the supplier's attention to BayWa's compliance regulations and the raffle that will be held.

Hospitality / Invitations / Events

Example:

A supplier invites you and your partner to attend a motor sports event lasting several days. You work for BayWa as a procurement manager and also purchase products from the supplier inviting you. At the time of receiving the offer, however, no procurement decision is pending. The supplier is prepared to bear all costs. You will only need to organize and pay for your own travel expenses. In order to establish a business connection, a half-hour product presentation is planned each morning.

Evaluation:

The invitation is inadmissible and must be rejected (after information of your superior). Third parties (e.g. a supplier competing with the inviting party) may get the impression that you will improperly prefer the inviting party in the future, even though the product in question may be more expensive or of inferior quality, for example. This could lead to the suspicion of criminal bribery.

Furthermore, despite the half-hour product presentation in the morning, there is no justified business purpose, as the motor sports event stretched over several days is clearly at the heart of the program as an entertainment element. Furthermore, due to their financial value, such invitations cannot be classified as customary in business.

Donations

Example:

The mayor of a community offers to award you a contract if you donate a sum of money to a charitable organization in return.

Evaluation:

Never combine a donation in return for an official act. Such a connection is inadmissible and may have serious consequences.

Sponsoring

Example:

A potential customer offers you the conclusion of a lucrative framework agreement if BayWa in return becomes involved as a sponsor of a regional football team.

Evaluation:

Such a combination of two different services is not based on considerations relevant for the procurement process and must not be implemented under any circumstances.

Material gifts

Example:

You want to thank the Managing Director of a long-term customer for the successful partnership of the last few years and plan to send him a pen worth 50 EUR on the occasion of his 20-year service anniversary.

Evaluation:

The gift is admissible. There is a special occasion in the form of a service anniversary, and the gift is appropriate in terms of its value. However, your supervisor must approve the gift before you can buy it because it is worth more than the standard amount of EUR 35.

Hospitality / Invitations / Events

Example:

In the context of upcoming contract negotiations for the purchase of a property, you plan to invite the seller's employee entrusted with the sale to an informal dinner in an upscale restaurant. You intend to have BayWa bear the entire costs incurred for this meeting. You estimate the cost for dinner to be approx. EUR 100 per person.

Evaluation:

For benefits with a value of more than EUR 100, the supervisor must generally approve the invitation in writing. However, this is an invitation in connection with an entrepreneurial decision. For this

reason, it could appear that the invitation was issued for inappropriate reasons. Therefore, the invitation is not to be issued and the supervisor cannot approve the expense.