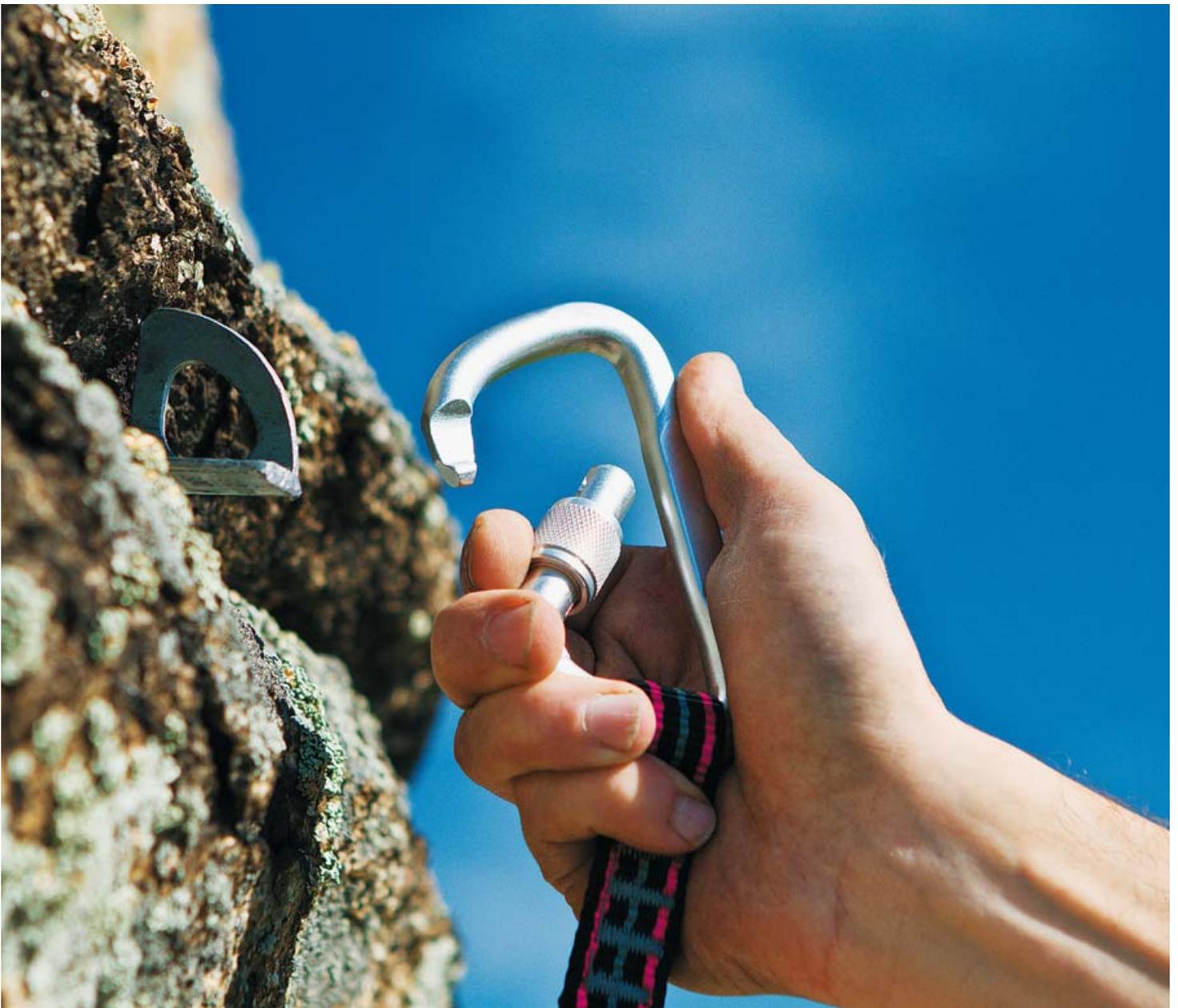


VERSION 2.1 // APRIL 2015
ENGLISH

KION
GROUP

CODE OF COMPLIANCE



MATERIAL HANDLING SOLUTIONS

Linde

STILL

FENWICK

OM

Baoli

VOLTAS

YOU HAVE IN FRONT of you the KION Group Code of Compliance. It contains the rules that govern the way we do business in the KION Group. For that is what compliance means: abiding by laws and company policies. These regulations place high demands on each and every employee. We are aware that it is difficult to maintain an overview of all the requirements. But the general sense of law and justice instilled in every person is unfortunately not always enough. We have to agree on a common framework that is binding for every employee – which is why we have so many rules. But they are not an end in themselves. Far from it:

COMPLIANCE BENEFITS

1. YOU PERSONALLY:

you are working in an environment of trust. You can speak openly and directly with colleagues. We have a framework of shared values, which you can refer to at any time. And this will give you confidence when you are making decisions for the company.

2. THE KION GROUP:

there is a higher chance of developing innovative products and production methods in a company where people work together openly in a spirit of trust and in accordance with clear rules. And this has a positive effect on quality. What's more, a company that has a reputation for working in a correct and lawful manner is more attractive to customers. Both together mean: better market opportunities.

YOU ARE CONSTANTLY FACING DECISIONS, both big and small, in your day-to-day work. You don't make these decisions for yourself personally, but always in the name of the company. And this means that you have a responsibility towards the company. If you make a decision as to whether something is lawful based on a gut reaction, it could be that you are wrong. This cannot happen if you adhere to our compliance guidelines.

COMPLIANCE PROTECTS

1. YOU PERSONALLY:

if you know what is permissible at your company and what is not, you will always be on the safe side. Misconduct can have serious consequences and, on some occasions, you could even be personally liable.

2. THE KION GROUP:

if customers have the impression that a company is not following the law, it can be severely damaging in financial terms. Concerned customers go elsewhere, perhaps taking others with them. Consistently following compliance regulations safeguards against this. The more a culture of compliance is enforced and established as a matter of course, the more protected the company will be. And this has a positive effect all round: our binding compliance regulations are there for everyone to refer to – the individual employees and the company as a whole.

Linde

STILL

FENWICK



STILL



VOLTAS

DIFFERENT BRANDS –

Anyone who works for a KION brand company is wholeheartedly committed to the success of this brand – whether it is one of KION's global brand companies (Linde, STILL and Baoli) or one of the regional KION brand companies (Fenwick, OM STILL and Voltas). Although each one of these brand companies has its own identity, every employee is both an employee of the brand company and of the KION Group.

Every one of our brand companies is striving for commercial success. But at the same time, each one is important to the KION Group as a whole. This particularly applies to compliance. Any misconduct can cause damage not only to a brand company but also to the KION Group. In spite of all the pride we want to take, and are entitled to take, in our own brand company, the message for us all in the KION Group is:

**ONE COMMON
GOAL!**

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Dear colleagues,

Keeping to the rules is part of daily life for us. It means observing laws, adhering to social conventions, showing good manners and much more besides. In the business world, this practice has a name – compliance. Together we are responsible for ensuring that everyone knows the rules and is able to follow them. After all, compliance is part of our corporate culture and a foundation for our commercial success.

We have a global presence, with products, services and solutions provided by our six brand companies. The KION Group is the European market leader and the world's second largest manufacturer of forklift trucks and warehouse technology, and it is the industry's leading foreign supplier in China. The key to this success is our workforce, who go the extra mile for our customers every day. Their hard work and creativity are the heart and backbone of the KION Group.

Our customers are delighted with the market-leading products that give them a competitive edge in their individual sectors. As an employee you can expect an attractive workplace and a fair employer. Our shareholders put their faith in the KION Group as a reliable, solid company, with a strategy targeting the four core areas of growth, profitability, resilience and capital efficiency.

In order to successfully implement this strategy, we need to stick to the rules – both internally and in our dealings with other partners. It's how we avoid misunderstandings and ensure that we are able to focus our full attention on our business. What in theory sounds simple, can in practice be more challenging, however. The Code of Compliance helps you to identify issues at an early stage and to resolve them before they become problems.

Time and again we hear reports in the media about suspected cases of corruption in the worlds of politics and business. On a certain scale, the cases appear clear-cut. But what about the grey areas? Where does corruption actually start? If one business partner gives the other a bottle of wine as a gift, can that be considered corrupt? Only one thing is certain: whenever there is any possibility of suspicions being raised, there is also the danger of legal action, fines, compensation claims and damaged reputations. It is often impossible to predict the consequences – both for the individuals and for the company. For precisely this reason, we aim to avoid such cases in the first place.

We created the Code of Compliance to help you make the right decisions. In addition to this, we will be training you in key compliance matters and ensuring that you stay up to date with compliance issues. If you still feel unsure or would like any details to be clarified, our compliance organisation will be happy to help.

The Executive Board also adheres to the rules of the Code of Compliance and is responsible for the compliance function. Compliance, after all, is a top priority for the KION Group and for me personally.

Gordon Riske
Chief Executive Officer

PRINCIPLES ON WHICH OUR CONDUCT IS BASED

WORKING CONSTRUCTIVELY

We seek to work closely together at all levels, constructively and in a spirit of mutual trust. The KION Group encourages all its employees to be proactive and to demonstrate initiative.

Commitment, personal responsibility, integrity, customer focus and respect for one another and for the environment are among the core values of our corporate culture. They also form the basis of this code of conduct.

RESPONSIBLE CORPORATE GOVERNANCE

The KION Group is a commercial organisation that is focused on achieving its commercial and financial objectives. We seek to ensure that our products lead the way in terms of technological development, and we demand the highest standards in terms of the quality and safety of our products and services. At the same time, we take our responsibility for people and the environment seriously, both for today's society and for future generations.

HUMAN DIGNITY, HUMAN RIGHTS AND NO DISCRIMINATION

We believe in mutual respect. We respect the personal dignity of every individual and we uphold human rights. In particular we do not tolerate child labour, any harmful employment of young people or any form of forced labour.

We are respectful, loyal and fair in our dealings with one another. We do not tolerate discrimination in any form, whether it be on the grounds of nationality, ethnic origin, religion, age, disability,

skin colour, sexual identity, political belief or gender. Any relevant statutory provisions take priority. We do not tolerate any form of sexual harassment or physical or humiliating personal attacks.

PRINCIPLES OF OUR COMMUNICATION

As an international group, we make the most of the experience and perspectives brought to us by different cultures. The way in which we deal with one another and with our customers and business partners is based on openness, honesty, credibility and mutual trust. It is important to us that all employees treat their colleagues, customers and business partners from other countries and cultures with the greatest respect.

This applies to face-to-face meetings, telephone conversations and written communications by letter and email. We are also guided by these principles when posting on the internet on social networks, blogs or forums or in chat rooms, for example. Nothing said in a business context is private. Personal opinion expressed by someone in the context of their work for the KION Group will always be perceived as being the opinion of the Group.

That is why we refrain from commenting on political events or current affairs, whether they be in the past, present or future. Only if the KION Group's interests are affected, the KION Group will comment on political subjects, however, only by persons authorized to do so.

Nor do we ever speak negatively or dismissively about our customers, competitors or colleagues.

MANAGEMENT CULTURE AND MANAGEMENT RESPONSIBILITY

Compliance can only become part of the corporate culture if managers lead by example. Our managers should therefore always act correctly and lawfully, and should demand the same from their staff.

Our managers should give their staff as much individual responsibility and freedom as possible, but also offer them guidance and

direction. This includes establishing clear rules and procedures, making sure employees are informed of them and ensuring they are followed. Managers remain responsible for their employees' conduct even if they delegate certain tasks. It goes without saying that this does not excuse employees from taking responsibility for their own actions.

“IN THE END, EVERYONE SHARES IN THE SUCCESS”

INTERVIEW WITH UDO TOEPFL

UDO TOEPFL works in the IT/Facility Management Technology department at Linde Material Handling in Aschaffenburg. He has served in the voluntary fire service in Riedstadt since his youth.

KGCC: Mr Toepfl, you have been a member of the voluntary fire service for many years. How did that come about and what do you still like about it today?

Toepfl: A friend of my parents was the youth fire service officer at the time and took me with him. Children were, and still are, given a fun introduction to the fire service in Germany. Over time, you become better acquainted with the work that the fire service does. And at 17, you become an active firefighter.

In my view, the fire service offers the opportunity to do something worthwhile for the community. We help everyone free of charge, irrespective of who they are. Aside from that, I enjoy handling the technical equipment and also the camaraderie.

KGCC: The fire service has a code of conduct and behavioural rules. Why is that important?

Toepfl: There are rules for every area. You learn them in training and in drills. Above all, if you are extinguishing a fire or providing technical assistance, this has to be done more or less in compliance with the regulations set out by the fire service. This is important to ensure that several fire crews can work together in the event of a larger-scale incident.

The rule that is most important is, undoubtedly, observing the hierarchy and the principle of 'command and obey' when dealing with an emergency. This may not reflect today's image of cooperative leadership. But when the fire service is in action outside a burning house, it would be utterly inconceivable to discuss whether the ladder should be positioned on the left or right. To be able to work in the fire service, you have to accept that.

Once the work is done, things are different. Anyone can express an opinion and we all consider whether we would want to handle anything differently in future.



KGCC: Can you give a specific example of one of the rules?

Toepfl: The first thing that comes to mind has to do with organisation: the seating arrangements in the fire engine. Each seat in the vehicle is designated for a particular function. In an ideal case, everyone will already know their responsibilities on the way to the emergency, whether it be connecting the water supply or taking care of the injured. We all have markings on our helmet. They immediately show other firefighters which qualifications we hold – and for example, who is a respiratory protection device specialist. These markings also denote functions, such as group or watch leader. This means that many things are already regulated when we arrive at the scene without being specifically articulated.

KGCC: Providing rescue and firefighting services is not exactly without risk. Are there rules for ensuring your own safety?

Toepfl: Let's take the example of the air supply. We often enter a building with self-contained breathing apparatus, that is, compressed air. The air reserve is continually checked and we work to the principle of allowing twice as much air for the way out as the way in.

KGCC: Have you experienced what can happen if someone does not follow the safety procedures?

Toepfl: Thankfully not. Anyone in our fire service who contravenes safety procedures will no longer be included in the crew.

KGCC: Lastly, a question about implementation in the KION Group. Based on your experience in the fire service, what advice would you give the Compliance Department at KION?

Toepfl: For me, a culture of discussion is important. To clarify how a rule should be understood, but also where problems arise in practice and how they can be resolved – this is only possible as a team. In the end, everyone shares in the success – just like in the fire service. And that is a source of motivation.

THE KION GROUP AND COMPLIANCE

In the KION Group we always act properly and within the law without any ifs or buts. This applies wherever we are and whatever we do. It goes without saying and is incumbent upon all employees at all levels. This KION Group Code of Compliance is an expression of this principle.

Every individual is responsible for his or her own actions. But whenever people make decisions and take action, there is always the potential for error. Mistakes can never be completely ruled out. The important thing is how we deal with them. Identifying mistakes helps us to avoid them in future. We encourage all staff to address any problems as soon as they arise. Problems that remain hidden can sometimes have serious consequences.

2.1. THE MEANING OF COMPLIANCE

Compliance means 'keeping to' something. Many languages do not have their own word for this. In legal terms, compliance means abiding with laws and guidelines within a company.

The KION Group operates in many regions and countries. A key part of our compliance work involves maintaining an overview of the many different laws and regulations that apply in these places. In its wider sense, compliance also refers to the measures put in place by a company to ensure that staff act in accordance with rules and regulations.

Compliance embraces all existing regulations that apply to a company.

2.2.

ABOUT THE KION GROUP CODE OF COMPLIANCE

The KION Group Code of Compliance sets out how we should act, and why. It serves a number of purposes:

- The KION Group Code of Compliance helps us in our day-to-day work. If we are unsure about something, we can consult it for guidance. There are always certain legal risks involved in any business activity. Having rules and regulations that are binding upon all employees protects us against these risks. We are better protected against any misconduct on the part of individual employees that might arise from uncertainty or ignorance.
- The KION Group Code of Compliance reflects our compliance culture. By compliance culture we mean the will to behave properly at all times, having the structures in place that make this possible, and continually developing those structures.
- Implementing the KION Group Code of Compliance is one way in which we can live up to our legal and moral responsibility to society and to the environment.

The KION Group Code of Compliance has two main focal points. It lays down general rules of conduct and it also describes the most important areas of application and principles in relation to compliance. However, compliance goes far beyond the principles set out in this document. For further information on the issues addressed here, and many others, please refer to our internal policies and procedures, which can be found on the KION live intranet.

2.

THE KION GROUP AND COMPLIANCE

There are frequent new developments concerning the key compliance themes, so the KION Group Code of Compliance is regularly updated. Head Office also provides further information and offers various training courses on the subject. And every line manager is responsible for ensuring that his or her staff understand and comply with the rules applicable to them.

SCOPE

The KION Group Code of Compliance applies to all employees of KION GROUP AG and its global subsidiaries (also referred to in this document as 'the KION Group'). This includes directors and members of executive boards. Members of supervisory bodies are also bound by the KION Group Code of Compliance as far as they carry out activities for the KION Group.

DIFFERENT BRANDS – ONE COMMON GOAL

Every employee is responsible not only for his or her own conduct within a subsidiary, but also for his or her conduct as a member of the KION Group. Although the KION Group is made up of a number of different brands, there is one common goal. And the common goal in terms of compliance for all employees is to protect the KION Group and its group companies from harm by acting properly at all times.

ABIDING BY THE KION GROUP CODE OF COMPLIANCE

The provisions of the KION Group Code of Compliance and of the policies, guidelines and procedures based on it are binding. Every KION employee is under a duty to abide by these provisions. At the same time, every KION employee has the right to expect to be treated by others in accordance with those provisions.

Anyone can make a mistake. We work on the assumption that all KION Group employees want to behave honestly and lawfully. If some fail to do so, we have to respond – not least to protect our company. A breach of compliance regulations may – depending on the nature and severity – have consequences under employment law. It could potentially lead to dismissal or claims for damages. Employees could even face criminal prosecution.

All compliance rules apply to all employees. Some may be less common in your area of work, and some you may never encounter at all. But that does not mean that they do not apply to you. Even compliance rules that crop up more frequently in areas other than your own are still important and binding.

INTERNATIONAL CONVENTIONS

In addition to national and international laws, there are a number of international agreements at state level. They also provide important guidance for companies. The KION Group undertakes to comply with the following conventions in particular:

- The United Nations Universal Declaration of Human Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms
- The fundamental labour conventions of the International Labour Organization (ILO), also documented in the ILO Declaration on Fundamental Principles and Rights at Work
- The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- The United Nations Convention against Corruption.

POINTING IN THE RIGHT DIRECTION

YOU MAY HAVE ALREADY NOTICED that the illustrated compass looks somewhat unusual. South, east and west are missing and the scale shows 400 units instead of the conventional 360 degrees. That is because it is a gon compass. This variant was developed for surveying land. The advantage is that calculations are easier when a right angle is 100 gon rather than 90 degrees.

A compass that makes our work easier and unambiguously says 'that's north'. This is how we see the KION Group Code of Compliance. And it is particularly

important when we sense we are entering unknown territory. For that is when we always need a clear direction.



CLOSE EXAMINATION WHERE DIFFERENT SYSTEMS OF LAW APPLY

Because KION GROUP AG is a German company, its activities are primarily governed by German law. However, as a company we must comply with the national laws applicable in all countries in which we operate. In some cases there may be conflict between these laws. In these cases we have to examine carefully which law must be complied with.

The following basic rules apply:

- If the local system of law contains stricter provisions than German law, the local laws and provisions apply.
- If individual local laws around the world are less strict than German law, **KION** may, **as a group** decide that a stricter regulation is desirable, sensible or legally necessary. These regulations will then be laid down in internal policies and procedures, and will be published within the Group.

- If local laws and regulations in a particular territory are stricter than German law, the **national companies of the KION Group** will adapt the internal policies accordingly.
- The national companies of the KION Group are also entitled to draw up stricter internal policies in order to take account of local practice or other considerations.
- The Group's policies and guidelines apply throughout the Group unless they would violate or conflict with local law.

The compliance or legal departments are the first points of contact in cases of uncertainty as to the law.

3.

KION GROUP – OUR PRODUCTS AND SERVICES

The products manufactured by KION's subsidiaries are an important element in helping our customers to optimise their processes. When they choose to buy one of our products, customers are making a long-term investment. Outstanding quality and reliability are key factors for their purchasing decision. Our development and production teams see things through the eyes of our customers. With our six brands – Linde, STILL, Fenwick, OM STILL, Baoli and Voltas – we offer a broad range of innovative and reliable products for a very diverse range of applications.

The products of the KION brand companies have a long life and are designed to provide effective solutions to logistics problems. Our technical maintenance teams provide on-site servicing. We offer our customers and dealers professional advice and support on matters such as technical conversions and modifications. Our top priority is always the safety of the trucks.

Very rarely, customers may experience problems when using our products. Every one of our employees is instructed to respond to requests for help immediately. We place great emphasis on dealing with and solving such problems straight away.

Our service teams are quick to respond and flexible, and the services we provide are designed with the customers' needs in mind. Anyone who buys one of our products should be satisfied with it – this is our aim. At the same time we are committed to doing everything we can to ensure that our products are safe and reliable. We comply with all legal and technical requirements and standards. When it comes to product safety there is no room for negotiation. We do not comply with customer requests that conflict with legal requirements.

Our internal processes are also compliant with statutory requirements and our compliance rules. All processes that affect the quality of our products are documented, audited and certified in accordance with DIN ISO 9001. We also comply with other applicable standards.



01



02



03

FOR QUALITY AND SAFETY

ON CLOSE INSPECTION: INITIAL SAMPLE APPROVAL

OUR PRODUCTION PLANT IN ČESKÝ KRUMLOV

in the Czech Republic has been part of the company since 1997. We produce axles for trucks here. Before a production run starts, we manufacture an initial sample which is thoroughly tested, nowadays of course with the help of a computer. Only when all the requirements have been met is approval given and series production can get under way. During production, the initial sample remains on the test rig. If, during product testing, a problem is discovered on another axle from the same run, we can immediately determine whether it is an isolated case or whether the whole batch is affected.

- 01 The axle housing is placed on the measuring device
- 02 Initial samples approved by Daniel Steker
- 03 Starting the computer-based testing

4.

DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

4.1. PREVENTING AND FIGHTING CORRUPTION

In most countries corruption is a criminal offence and a serious breach of the principles of fair competition. This is true of Germany and of all local markets that are of importance for the KION Group.

The KION brand companies manufacture high-end products. The quality of our products and services is our strength. This positioning would be weakened by any suggestion of corruption. This would not only jeopardise our market position, it would also be a threat to the very principle of fair competition. That is why the KION Group expressly supports the fight against any form of corruption.

Anyone who exploits a position of power or a position of trust to gain an unjustified advantage is engaging in **corruption**. A position of power might be, for example, a responsible role within business, politics, government or the justice system. It is irrelevant whether the benefit is material i.e. money or of a monetary nature, or non-material e.g. preferential treatment. Anyone who offers or grants the benefit is engaging in corruption, as is anyone who accepts or asks for it.

Corruption is a particularly important aspect of compliance. There are always inducements that may tempt you to depart from the straight and narrow and secure yourself or the company an improper advantage.

It can be dangerous to be guided by how you would act in a private capacity. In a business context, seemingly innocuous behaviour may be restricted or even prohibited by law. So don't just rely on what you personally think of as reasonable and permitted.

The KION Group Code of Compliance specifies how we should behave at the KION Group to exclude any possibility of corruption. There are also internal rules on the subject of preventing corruption that set out in detail what we can and cannot do. Read the rules and guidelines carefully and always ask if you are in any doubt. This way, we can avoid misunderstandings and any unintentional violations.

4.1.1. GIFTS AND HOSPITALITY FOR THIRD PARTIES

Every society has accepted ideas about how people can and should show each other respect. And it is no different in business. If a gesture is generally regarded as polite and not as an attempt to improperly influence a business partner, we say it is socially appropriate. Different countries have different traditions as to what is socially appropriate, particularly when it comes to the value of gifts, entertainment and hospitality. That is why each national company sets its own maximum amounts. If there are several subsidiaries in one country, they agree on an amount be-

As a KION employee you must never, under any circumstances:

- pay someone
- give someone something
- promise someone something

**so that
he or she**

- does something he or she should not, or
- does something more quickly or does something that he or she would have to do anyway

- accept payment from someone
- accept a gift from someone
- allow someone to promise you something

so that you

- do something you should not, or
- do something more quickly or do something that you would have to do anyway

In short: you must never use your position to secure the KION Group, or yourself, an improper advantage.

tween themselves. The management boards of the companies in each country examine whether local law or legal practice provides a maximum amount for gifts, entertainment and hospitality. This maximum amount is incorporated into their internal company regulations.

Employees can ask their local management boards or Compliance Representatives for further details of the country-specific provisions.

Gifts, entertainment and hospitality offered to third parties must satisfy certain requirements:

GIFTS

Promotional gifts or other gifts to business partners are fine as long as they are not of unreasonably high value. Cash gifts of any kind or services for which no invoice is issued are never permitted. Appropriate gifts to mark standard occasions such as birthdays or cultural dates are generally OK.

ENTERTAINMENT

Success in business requires us to develop and nurture contacts with our business partners and customers. As a KION employee, you are allowed to invite business partners and customers to lunch or dinner and pick up the bill, provided it is not for an excessive amount. Various criteria are used to determine whether hospitality is reasonable, including, for example: the business reason for the meal, the country in which the meal takes place, and the position that you and your business partners hold in your respective companies. If, for example, you have just signed a major deal, the hospitality can be more generous than if you are simply renewing an acquaintance with your business contact.

EVENTS

The same applies to invitations to events. Here too, costs must be kept within reasonable limits. Invitations to events organised by third parties (such as sports events, concerts etc.) often have a higher value than is appropriate and therefore present problems from a legal perspective. Also bear in mind that if you give

4.

DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

a business partner or customer tickets for an event of this nature it is imperative that you also attend yourself. It is generally OK to invite business partners or customers to events organised by the KION Group itself or those officially sponsored by the KION Group. However, the business element of the event must predominate and the leisure part must be of lesser importance.

Any gift (including entertainment and hospitality) that you offer must not cause the recipient to feel obligated and consequently unable to make an objective decision. You must not give the impression that you are expecting something in return. It would be inappropriate to offer gifts before a contract is signed, for example. That could easily be perceived as the conferring of an advantage in the hope of improperly influencing the decision-making of the recipient. Gifts to spouses, relatives, personal friends or private guests are generally not allowed at all. The KION Group guideline on avoiding conflicts of interest provides more details.

A rule of thumb: the **'publicity test'**

Could you tell everyone about the gift or hospitality with a clear conscience? Anything you would rather keep quiet about is probably not appropriate.

PUBLIC OFFICIALS AND GOVERNMENT CONTRACTS

The rules governing dealings with public officials are particularly strict.

Public officials are:

- civil servants
- other employees of public authorities or other public bodies
- employees of public-sector organisations
- employees of international organisations

The definition of a public official may vary from country to country. If you are not sure whether or not you are dealing with a public official, consult your local Compliance Representative.

The KION Group and its brand companies compete for government contracts all around the world. We never exercise improper influence on public officials and their decisions. This also means that we comply with all laws and regulations concerning government procurement at all times.

As a KION employee you must never offer, promise or grant any advantage to a public official. That would always constitute corruption. Under no circumstances must the impression be given that KION Group uses such means to influence the actions of a public official or obtain preferential treatment in business. Low-value gifts and hospitality are generally acceptable. However, the maximum limits are lower than for private-sector business contacts. If you are not sure whether or not you are dealing with a public official, ask your local Compliance Representative for advice.

DONATIONS AND SPONSORSHIP

Donations and sponsorship are also regarded as gifts. To avoid any suspicion of corruption, the KION Group has drawn up a donations policy that sets down the rules governing the giving of donations and the agreement of sponsorship arrangements.

The KION Group donations policy stipulates who has the authority to make decisions concerning donations and sponsorship. If other employees are approached with requests for donations or sponsorship they must refer the enquiry to the appropriate person. The following general rules apply:



ON THE SAFE SIDE – THE RED LINE

IT IS COMMON KNOWLEDGE that a red line indicates a danger zone. It works because red is highly visible and is also a signal colour that says stop! or danger! In reality we don't very often see an actual red line – but we nonetheless know what it means: this is where you stop.

In the KION Group we also have a red line for invitations and gifts. It separates what you can accept from what you can't. The problem is that this line isn't visible.

The necessary framework is provided by the KION Group Code of Compliance. But even that cannot eliminate

all uncertainties in every individual case. We therefore want to ensure that, if you are in doubt, you don't have to make the decision alone. All managers and the Compliance Department are available to help you identify the red line and make sure you don't overstep it.

Donations are voluntary cash payments or contributions in kind to organisations that are not connected to the KION Group. Donations are made without any entitlement to or expectation of receiving anything in return.

The KION Group may make cash and non-cash donations for social and humanitarian purposes, for education and science, for art and culture and for projects to protect the environment and conserve resources. The recipient of the donation and the purposes for which it is to be used must be transparent and clearly documented.

We do not give donations to individuals or to profit-driven organisations. Donations to private accounts and donations that could damage our company's reputation are forbidden. The objectives of the recipient must not conflict with our corporate principles. The KION Group does not make political donations to individuals, parties or other organisations.

The KION Group defines **sponsorship** as a contribution in the form of cash or non-monetary resources for an event that is not organised by the KION Group. It differs from a donation in that the KION Group receives something in return. For example, the KION Group may use its sponsorship of the event for promotional purposes.

Sponsorship of an event is permitted if it affords the KION Group promotional and marketing opportunities. However, the cost of the sponsorship must not exceed the cost of other comparable promotional activities. Furthermore, all sponsorship activities must be transparent and must be documented in a written contract. They must serve a legitimate business purpose and be in reasonable proportion to the benefit being offered by the event organiser.

4.

DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

4.1.2. GIFTS AND HOSPITALITY FROM THIRD PARTIES

The principles applicable to gifts and hospitality offered to third parties also apply to the acceptance of gifts and hospitality from third parties. The only difference is that the roles are reversed. A KION employee must never use his or her position or function within the company to gain an advantage for the company or a personal advantage for themselves. In particular, employees are forbidden to ask for or accept advantages from a business partner in exchange for giving him or her preferential treatment.

Always be especially careful when accepting gifts or hospitality. The maximum limits set down by the national companies provide guidance for determining whether a gift is appropriate. Accepting gifts or hospitality may also lead to a conflict of interest and put the good reputation of the KION Group at risk.

GIFTS

Essentially the rules governing the giving of gifts also apply to acceptance (see above). Any benefit conferred upon an employee or his or her close associates may be regarded as a gift. Generally speaking you should not accept any gift. Cash gifts of any kind, and services for which no invoice is issued, are never permitted. The only exceptions are low-value courtesy gifts and small promotional items featuring the company name or logo. The key point to remember here is proportionality. If a gift is too expensive or too valuable, it is generally sufficient just not to accept it. However, if the gift is well above the maximum amount and is clearly beyond what could be regarded as socially appropriate, it is probably intended to influence your decision. In such a case you must refuse it and then also inform your line manager or the Compliance Department.

ENTERTAINMENT AND HOSPITALITY

You are allowed to accept invitations to business dinners or other social events if these are appropriate. For example, you must be able – although not obliged – to extend an equivalent invitation on another occasion without expecting anything in return.

You cannot accept invitations from suppliers or business partners to events for which the flights, accommodation or other travel expenses are paid. If you are not sure whether you are allowed to accept a gift or invitation or not, consult the Compliance Department.

CULTURAL DIFFERENCES

Bear in mind country-specific norms when accepting gifts or hospitality. You will find details in the relevant internal policies. In some countries, you are prevented by custom and courtesy from refusing gifts and invitations. In such cases make it clear that you are not accepting the gift personally, but on behalf of the KION Group. Inform your line manager and the Compliance Department and discuss what should happen next.

The KION Group guideline on avoiding conflicts of interest sets out the requirements for accepting gifts or hospitality.

4.2. COMPETITION AND ANTITRUST LAW

There are numerous laws and regulations in force around the world governing competition and antitrust. Violations can lead to heavy penalties and fines, and to substantial claims for damages, both for the company and for the persons involved. They can also seriously harm the reputation of the KION Group and its brand companies.

We never make agreements with our competitors that could distort or affect competition.

Important: It is not the outward appearance of the agreement but its substance that counts. You must never discuss any of the following with a competitor, even in an informal, supposedly private context:

- prices, production output, capacity, sales channels, profit margins, market share, capital expenditure, strategies
- submitting sham tenders
- the division of customers, territories or product ranges
- non-competition

Even sharing information with competitors may constitute a violation of competition law.

Sometimes trade association meetings are used as opportunities for competitors to collude. You must never take part in such improper discussions. If you are in any doubt about the subject of a discussion, or whether the discussion should even be taking place at all, please contact the legal department.

4.3.

FOREIGN TRADE LAW

Foreign trade law governs the import and export of foreign exchange, goods, services, capital and other assets traded internationally. This also includes hardware, software and technology. Electronic transmission, e.g. by email or download, also constitutes import or export.

The rules in this area can be very complex, but the following list contains some aspects that must be borne in mind:

- identity checks
- inspection of goods
- embargoes, and checking usage
- import laws and regulations, including customs legislation.

Because of the KION Group's international shareholder structure, the export control regulations of other countries have to be considered.

Employees involved in the import and export of goods must ensure that all applicable rules and regulations are complied with. In cases of doubt the relevant experts should be consulted.

4.4.

AVOIDING CONFLICTS OF INTEREST

A conflict of interest exists if a person has to choose between two or more **irreconcilable interests**.

An employee will find himself in this position in particular if he has a personal interest in a matter that conflicts with the company's interest. In this case his personal interest may prevent him from making a decision that is in the best interests of the company.

Conflicts of interest – frequently also referred to as conflicts of loyalty – can cause the company considerable harm. And making a business decision based on personal interests can easily lead an employee into crossing the line into corruption.



“EXPENSIVE GIFTS ARE BECOMING LESS COMMON.”

INTERVIEW WITH DEAN XIE AND JOACHIM KAFFANKE

KGCC: Talking of corporate gifts, what is the best gift you have ever received in a business situation?

Xie: One of our key account customers once gave me a golf accessory with his company logo on it. It was a small watch that you can attach to a golf bag. I still use it and it reminds me of the customer every time I see it. The best corporate gift I have ever heard of was an iPad that was given to one of my dealers. Even though the gift was far too expensive

and he knew he had to return it, he was delighted by the gesture.

Kaffanke: The best corporate gift I ever received was given to me indirectly. It was in the early 90s, when gifts were often much more expensive than would be acceptable nowadays. At that time I worked at a law firm in London. My boss received a case of exquisite French wine from an appreciative client and generously presented a bottle to each team member who had worked on the case.

< **DEAN XIE**, who grew up in Xiamen, joined Linde China in 2000. Over the past 14 years, he has advanced from Sales Manager and Regional Director to National Sales Director, and now holds the position of VP Sales & Service at Linde China. He is also Head of the KION China 2020 Strategy project.

> **JOACHIM KAFFANKE**, a qualified German attorney, has been responsible for two functions at the KION Group headquarters since 2007: Head of the Corporate Office, overlooking the affairs of the Board of Management and Supervisory Board, and Head of the Group's Legal Department.



KGCC: You've both mentioned that a gift can be too generous and that it might be necessary to refuse or return it. Is that socially acceptable and how would you handle that?

Xie: In China, it is common to give a gift to show your respect when visiting partners or on public holidays. If you decline a gift, you must do so in a respectful way, showing that you have understood the other person's intention. Nowadays, everyone knows that the rules for gifts and invitations have changed and that most companies have guidelines about what can be accepted. For that

reason, it is rare to give gifts that are considered too valuable these days. Returning them is acceptable but, as mentioned, it needs to be done in a careful and respectful way.

Kaffanke: It has also been my experience that it has become less and less common to give expensive gifts in a business situation. I am sometimes invited to events or fundraisers for which the tickets are very expensive. As I am invited in my role as a company executive, I always ask myself whether such an invitation is socially acceptable. If I think that the value is too high, and therefore not

acceptable, then I turn down the invitation. However, if I would perhaps like to accept it, then I approach the Member of the Board of Management to whom I report for approval. I would accept the invitation on the condition that I am allowed to cover all the costs myself.

KGCC: What would be a typical gift for your country or region?

Xie: China is so big with so many different regions and cultures. It is usual to take local specialities when visiting a business partner. That could be special food or tea, for example. Other options are company-branded giveaways or seasonal gifts.

But it is important to keep cultural differences in mind. For example, in other countries, clocks or watches are popular gifts that are well received. In China, a clock symbolizes the funeral of the recipient.

In a business situation, you also have to take into account the position and seniority of the recipient when choosing a gift. For example, it is acceptable to give a more expensive gift to a manager than to a staff member when presenting both with a gift.

Kaffanke: Regional specialities are also a common gift in Europe: food, sweets, wine or something seasonal. I sometimes present someone with a book if I think it might be of interest to them. For some occasions, porcelain or glassware might also be an option – as a special gesture of appreciation with a cultural value.

KGCC: Is there anything that is a no-go in your region? A faux pas that you could make if you did not know the cultural background?

Kaffanke: I would avoid anything with a historical or political background. You don't know in such cases whether you might touch on a sensitive subject and offend the recipient with the gift.

Xie: This is not about gifts, but about invitations: in China the seating arrangement is very important. The host sits at the main table facing the entrance. That is the 'main chair'. The most important and second most important guests are positioned to the left and right of him/her. The person who organised the event sits opposite the host and takes care of the orders and settles the bill. As a rule the boss doesn't pay. Otherwise he/she would lose face.

A conflict can also arise if a close relative of an employee stands to gain from the employee's business decision. If the two sets of interests are mutually exclusive, the employee has to choose between the interests of his relative and those of the company.

All employees facing a conflict of interest or at risk of finding themselves in this situation must inform their line manager straight away.

A conflict of interest – or even the mere appearance of such – must be avoided at all costs. Transparency is the most effective protection against suspicion. If in doubt, employees can seek advice from their local Compliance Representative or the KION Group Compliance Department.

CRITERIA FOR PURCHASING DECISIONS

All purchasing decisions are made in the interests of the company. Decisions are based exclusively on objective criteria such as quality, technology, price, production requirements and logistics.

Before we enter into any contract, we make sure that all potential suppliers have been treated equally. The buyer ensures that all suppliers have received the same documentation and that no supplier receives information about another competitor.

When awarding contracts, you must be able to make your decisions objectively. If a supplier carries out work for you privately for free, or at preferential rates, there is a risk that you will feel a sense of obligation towards that supplier. That is why you must not use business contacts to supply goods or services for your own private use.

You are not allowed to be involved in a decision to award a contract to a company in which you yourself have an interest. Neither you nor any member of your family can have a financial stake in any such company. You are allowed to hold free floating shares, provided that they do not amount to more than 5 per cent of the company's total share capital. And you must not be related to a director or owner of the company. If you have any such connections to a supplier, you must disclose them to your line manager.

OUTSIDE COMMITMENTS

As an employer, the KION Group welcomes the political and social involvement of its employees, whether this be in clubs, political parties or community projects. However, such activities must always be completely reconcilable with the employee's contractual obligations towards the KION Group.

SECONDARY EMPLOYMENT

Employees must not accept any other remunerated post without the prior written consent of the relevant human resources department in accordance with the prevailing company rules. This requirement is intended to prevent any possible conflict of interest or conflict with applicable health and safety regulations.

COMPETITORS OF THE KION GROUP AND ITS BRAND COMPANIES

An employee who works for another company can also face a conflict of interest. For that reason, employees of the KION Group and its subsidiaries are not allowed to work for companies in competition with the KION Group.

INTERESTS IN OTHER COMPANIES

Having a stake in another company can also put an employee in a position where he faces a conflict of interest, so the rule at the KION Group is that no employee is permitted to run a company that either does business with or is in competition with the KION Group. This also excludes holding a material stake in such a company, either directly or indirectly. A stake is considered material if it gives the employee the opportunity to exercise influence over the running of the company. This will generally be the case where the shareholding is more than 5 per cent of the total share capital. Anyone who holds or intends to acquire such a stake must inform his or her human resources department or the Compliance Department.

4.5.

PAYMENTS AND PREVENTION OF MONEY LAUNDERING

CASH PAYMENTS

Cash payments are no longer the norm in business transactions, especially where large sums of money are involved. By accepting cash or other unusual forms of payment we may be facilitating tax evasion, corruption, fraud, embezzlement or money laundering. Bank transfers are not only practical, but also avoid the aforementioned risks.

Someone engaging in illegal activities cannot simply pay the proceeds of their crimes into their bank account. The risk of being discovered would be far too great. This 'dirty' money is fed into the legal money supply in the form of cash payments, for example, in a process referred to as **money laundering**. The money becomes 'clean' when it can no longer be distinguished from payments whose origin is lawful.

We have to protect ourselves from becoming embroiled in illegal transactions when processing payments. And we have to comply with the relevant laws. We have therefore drawn up the following rules:

- Payments should always be cashless i.e. in the form of bank transfers.
- Occasionally our business partners may insist on paying, or being paid, in cash. This is permitted in exceptional cases – for example for spare parts, where smaller sums are involved – but always requires the consent of the local executive board and is subject to an upper limit of €5,000. The local Compliance Representative or the Compliance Department must be informed of the payment.

4.

DEALING WITH BUSINESS PARTNERS AND THIRD PARTIES

- Inform the local Compliance Representative and the Compliance Department immediately if you notice any unusual payment patterns (including those made electronically) or if a customer or supplier insists on payment of a large sum in cash. Unusual payment patterns may include, for example, a partner paying several small cash sums in close succession, which together add up to more than €5,000.
- Regardless of any internal authorisation, special provisions apply to cash payments for amounts above €15,000 because of money laundering regulations.
 - The person making the payment must provide evidence of their identity in the form of valid official personal documentation.
 - The records of the transaction must be kept for at least six years.

The KION Group cash payments policy contains more information on this topic.

CASHLESS PAYMENTS

The imperative to steer well clear of any illegal activities does not just apply to cash payments. There are also a few rules governing cashless payments.

- We always meet our payment obligations by paying the amount owed exclusively to the business partner named in the contract documentation. Also, we only make payments to an account in the country where the business partner has its registered office. If a business partner asks you to pay money into a foreign account, or to a third party, you must first check with the Compliance Department whether this is permitted.
- Sometimes a third party may pay someone else's invoice that is an invoice originally issued to a different party. We are not prevented from accepting such payments, although they must be very carefully examined. You must inform the management board of your local company and also the Compliance Department of any unusual or suspicious payments, such as those coming from foreign accounts in so-called tax havens.

4.6.

CONTRACTUAL BASIS

We only work with business partners we trust. Even so, we always document contracts and agreements in writing. This also applies to changes to contract components such as product specifications, prices and side agreements. This is partly for the sake of legal certainty, and partly to ensure that all agreements entered into are completely transparent. Before any contract is signed it is checked for validity and for risks that may arise from the arrangements it contains.

4.7.

WHAT WE EXPECT FROM OUR BUSINESS PARTNERS

Compliance is as much a matter of course for our business partners as it is for the KION Group. We have formulated principles for our suppliers and for external distribution partners such as dealers, consultants and agents, and we make reference to these in contracts and agreements with our business partners to ensure that we jointly comply with statutory provisions and compliance requirements.

The KION Group does not require its partners to sign up to the KION Group Code of Compliance. Conversely, we do not allow partners to make signing up to their code of conduct a condition of doing business. Instead, we try to get our partners to acknowledge the KION Group Code of Compliance during the contract negotiations.

COMPLIANCE PRINCIPLES

We expect our business partners:

- to comply with all applicable laws,
- not to engage in corrupt practices,
- to respect human rights,
- to comply with laws preventing child labour,
- to take responsibility for the health and safety of their workers,
- to comply with the relevant national laws and international standards concerning environmental protection and
- to train their staff accordingly.

We expect our direct suppliers to comply with these principles themselves and also to make sure that their partners all the way down their own supply chain do the same.

DEALERS, CONSULTANTS AND AGENTS

One of the ways that the KION Group distributes its products is through authorised dealers. We communicate with our distribution partners and ensure that we jointly comply with statutory provisions.

Outside Germany, we also use the services of consultants and agents who generate business for us, support us during negotiations and assist us in dealing with public authorities. They receive fees or commission for this work.

We trust the partners with whom we work and who provide valuable services for us. Nevertheless, we have to rule out the possibility of consultants using their fees to hide illegal payments. This step is part of our risk management process and does not indicate a lack of trust on our part.

The following rules apply:

- A written contract is concluded before the work starts.
- Before the contract is concluded
 - the necessity of a consultant or agent is assessed and documented,
 - the consultant or agent is selected in accordance with mandatory internal procedures and
 - an identity check is made (no 'front men' or 'shell companies').
- The service provided is examined before the fee is paid.
- Payment is only made to an account in the country in which the consultant is domiciled. The consultant must also be the account holder.
- Partners must accept our compliance principles in writing and promise in the contract that they will obey the law to the letter and, in particular, will not use their fees to bribe third parties.

5.

FINANCE, CAPITAL MARKETS, PUBLICITY

5.1.

ACHIEVEMENT OF THE COMPANY'S FINANCIAL TARGETS

The achievement of our financial targets is in the interests of our shareholders, our business partners and our employees – in short, in the interests of the KION Group. Achieving these targets enables us to offer our employees secure and attractive jobs and to pay adequate returns to our shareholders for the capital that they have invested.

We set ambitious but realistic targets in our business plans. Your duty as employees is to contribute to the achievement of our financial targets.

From time to time, we may not be able to achieve our targets in certain areas, such as budget or revenue targets. It is the role of our management to regularly evaluate these targets. Additionally, they should foster and maintain a corporate culture in which all employees feel safe enough to address problems openly and impartially. Only if we are notified of deviations promptly can we have enough time to address whatever difficulties might arise and to find solutions.

5.2.

FINANCIAL DOCUMENTATION

The double-checking principle applies to the signing of contracts, authorisation of payments and all other relevant business transactions.

The **four-eye principle** is regarded as a type of **internal check**. It stops one employee (the first signatory) from making important decisions alone or carrying out critical tasks alone. This means that an **independent person** thoroughly examines the transaction or document and then also signs or authorizes it. When someone is the second signatory to a document, he or she shares responsibility for the measure in question.

The companies in the KION Group must fulfil statutory financial reporting requirements and contractual reporting obligations, for example towards banks. To this end, all transactions must be recorded, documented and reported to those responsible for financial reporting. This must be done accurately, promptly and in the prescribed manner using the stipulated software.

Action to disguise losses or budget overspends is prohibited. Any manipulation of accounting figures is strictly forbidden and may lead to criminal prosecution. Examples of such manipulation are posting fictitious revenue, recognising revenue prematurely, concealing costs and overstating the value of inventories.

HANDLING SENSITIVE INFORMATION – A KEY RESPONSIBILITY

Since 2012, **SILVIA SANCHEZ** has been Manager of Investor Relations at the KION Head Office in Wiesbaden, looking after investors in the KION Group. She is also the coordinator for the KION Capital Markets Clearing Team (KCMC Team) and the point of contact for all enquiries regarding the company's insider regulations and other legal provisions relating to capital markets.



INTERVIEW WITH SILVIA SANCHEZ

KGCC: Ms Sanchez, capital market law sounds like a topic that wouldn't concern most employees. Is that the case?

Sanchez: No, I take quite a different view. Among other things, capital market law serves to ensure that all the shareholders of a listed company are equally and fairly treated. Through the introduction of our KEEP employee share programme, many employees are now shareholders of the KION Group themselves and are therefore directly affected.

Violations can also harm our employees indirectly. If shareholders lose faith in the KION Group and sell their shares, the share price is likely to fall. Aside from the drop in value for all the remaining shareholders, it would also be more difficult for us as a company to raise capital in the markets on favourable terms. In the worst case, that could even mean jobs were put at risk.

Our employees therefore have a common interest in complying with the applicable ground rules.

KGCC: But surely not everyone can do something wrong?

Sanchez: Theoretically yes – unfortunately. We all constantly receive internal information about the KION Group as part of our day-to-day work. Most of it is fairly straightforward. The fact that we have a new Code of Compliance, for example, is not sensitive information and we can tell others about it. In regard to financial figures, however, we have to be careful. On no account must we talk to third parties, sometimes not even to colleagues from our own department, about planning and budget figures or about information relating to the current business performance. Preparations for major projects at the company also have to be handled confidentially.

KGCC: And if something unforeseen happens? There are often many things happening at once in business.

Sanchez: If something is known within the company that could have a major impact on the KION share price, the KCMC Team must either immediately make it public or be able to justify not making it public immediately. In doing so, we also have to ensure confidentiality.

KGCC: Can the managers of a subsidiary or a branch go directly to the public?

Sanchez: I can't give a general answer on this question. We have clear communication guidelines within the Group on the subject of who communicates what and when. But capital market law also imposes restrictions. For example, the managers of a business unit cannot simply announce a prestigious project without having spoken beforehand to the KION Group Corporate Communications and the KCMC Team. Ultimately, we don't want BaFin to suddenly pay us a visit.

KGCC: BaFin stands for the German Federal Financial Supervisory Authority. What is its role exactly?

Sanchez: BaFin is an authority which has been set up by the German Federal Ministry of Finance. It monitors whether banks, insurance companies and all those who issue securities on a stock exchange in Germany comply with the applicable capital market law.

KGCC: BaFin is also concerned with insider trading. The KION Group Code of Compliance explains in detail what insider trading is. It is a topic that is subject to many regulations. Is it not all a bit excessive?

Sanchez: Anyone who finds themselves dealing with matters that can influence market prices has a particular responsibility. That's why we support those people by providing them with all the information they need. Insider trading can even be a criminal offence in certain cases and is punishable with a prison sentence.

KGCC: Can you cite an example of insider trading?

Sanchez: In 2006, BaFin became aware of the dealings of a manager at a large German company. Over a two year period, he had repeatedly given important internal company information to a friend

– before it was made public. Both were able to make inferences on the basis of this insider information and bet on the stock of the company. They bought and sold shares or options, depending on the expected share performance, and initially made a considerable profit. The company dismissed the manager immediately, criminal proceedings followed, and he was given 15 months probation.

KGCC: I see. That's a shame. I thought you might have had a tip for me on whether or not to buy KION shares.

Sanchez: I'm sorry. You have to make that decision yourself. Without insider knowledge.

KGCC: Ms Sanchez, thank you for taking the time to talk to us today.

If you are in any doubt about the confidentiality of information, you can contact the KCMC Team at any time at kcmc-team@kiongroup.com.

Software underlies many of the company's business processes, such as purchasing, invoicing and inventory management. This ensures that the necessary data is processed. These processes must be followed correctly to ensure accurate results.

Please support the work of our employees in the Accounting, Controlling and Internal Audit departments.

The documentation requirement particularly applies to employees with regard to the travel policy. It is in employees' own interests to exercise great caution here because the amounts in question are costs that they incur privately. Costs that are not covered by the policy cannot be reimbursed.

Please also note that providing false information when claiming travel expenses may lead to disciplinary action.

5.3. RETENTION OF DOCUMENTS

The KION Group retains many documents even after they are no longer actively used. This is to comply with statutory obligations and official regulations, such as the terms and conditions of permits. But it can also be a good idea from the company's perspective to retain documents as evidence.

Among other things, this means:

- We retain all documents for at least as long as they are required by law, official regulations, existing permits and similar.
- We retain documents in such a way that they can be retrieved promptly and in full when needed. This is the only way to protect the company.

- We retain documents in such a way that intellectual property is protected, confidentiality is maintained and data protection is ensured. The same requirements apply to the destruction of documents.
- We retain documents in such a way that they are protected against loss, damage and theft.

These rules apply to all departments and functions in the KION Group.

The detailed record retention requirements are based on local law and the company's own retention rules.

Please remember that, from a legal perspective, there is no difference between emails and letters. You therefore need to apply the same care to the form and content of both types of correspondence. Electronic communication is subject to the same strict retention requirements as other forms of written communication.

5.4. CORPORATE COMMUNICATIONS

PUBLIC IMAGE AND CORPORATE IDENTITY

The public image of the KION Group and its brand companies is very important to our company's success. That is why we have to exercise great care in our day-to-day communications. This applies to all statements – whether written, oral or electronic – in all media that we use for our communications, such as marketing materials, presentations and speeches. Details can be found in the communications policy.

All forms of communication must be harmonised in terms of form (corporate identity) and content (one-voice policy).

DEALING WITH THE MEDIA

As a multiplier, the media play a very important role in how we are portrayed publicly. The press offices of the KION Group and its brand companies are responsible for dealing with the media and handling their enquiries. Unless you have the explicit permission of these press offices, you are not permitted to make statements to the media or give out information about the KION Group, its brand companies or national companies. Please forward any media enquiries to the responsible press office without delay. Please notify the responsible press office promptly if anything happens that could be important in terms of the company's public image.

SOCIAL MEDIA

The term 'social media' covers a wide range of interactive web-based applications and networks that allow users to share experiences, opinions, photos and video content. These include not just sites such as Facebook, Xing, Twitter, Wikipedia and YouTube, but also blogs, forums, newsgroups, chat forums, guest books and readers' letters.

If you use social media, you should make sure you are aware of, and adhere to, the general rules for the use of such media. Over and above these general rules, the KION Group has produced its own binding rules for the use of social media. These rules must be adhered to. For details, see the 'Guidelines for the use of social media'.

5.

FINANCE, CAPITAL MARKETS, PUBLICITY

Some of the important rules are:

- Protect the rights of others, particularly copyright.
- Protect our intellectual property and preserve confidentiality.
- If you are in any doubt as to what information can be made public, speak to your manager or the relevant person in your communications department.
- Discuss with your manager to what extent you should be using social media for work purposes.
- Make it clear whether you are contributing in a personal capacity or as an employee of the KION Group.

PUBLICATIONS

Publications must always be agreed with the responsible departments. This applies to promotional activities, mailshots, customer magazines, presentations and the posting of content on the internet.

5.5.

CAPITAL MARKETS COMPLIANCE

KION GROUP AG is listed on the Frankfurt Stock Exchange. It is therefore subject to a range of obligations and prohibitions derived from the relevant legislation governing the capital markets. Compliance is not only necessary from a legal perspective. Breaches could severely damage our image and damage investors' confidence in KION GROUP AG securities.

Details of the obligations and their fulfilment by KION GROUP AG can be found in the procedure document and policies on capital markets compliance.

INFORMATION ABOUT OUR FINANCIAL POSITION

Information about the financial position of KION GROUP AG and its subsidiaries is particularly critical. In some cases, it is subject to special reporting requirements defined in capital markets law. There is also a risk that uncoordinated statements from different areas of the Group could lead to confusion among external parties.

Consequently, statements about our financial position and financial performance may only be made by:

- the Executive Board of KION GROUP AG
- the Investor Relations department of KION GROUP AG
- the Communications department of KION GROUP AG
- people with special authorisation.

The same applies in all brand companies and subsidiaries. The capital markets compliance rules relate not only to financial information but also to all other aspects of corporate communications. More information can be found in the communications policy.

GENERAL REPORTING REQUIREMENTS

By issuing securities, a company becomes subject to disclosure and reporting requirements. These relate to the securities themselves, such as voting rights held and dividend payments, and to the company's financial position. This is to ensure that investors can reliably assess a company's financial position at all times. The KION Group follows the International Financial Reporting Standards (IFRS). As a German company, KION GROUP AG also has to publish reports based on the German accounting standards in the German Commercial Code (HGB). For the international subsidiaries of the KION Group respective local laws apply.

INSIDER LEGISLATION

Inside information is information about a company that is not publicly available and would significantly affect the market price of the securities issued by the company if it were to reach the public domain. This definition is deemed to apply if an average prudent investor would take account of the information in his or her investment decision.

Four principles apply to inside information:

- Inside information must be treated as strictly confidential and must not be forwarded or made accessible without permission. Even within a company, inside information may only be distributed to those who require it for their work (need-to-know principle).
- Anyone with inside information about a company is considered to be an insider and may not use this information when trading in the company's securities.
- Insiders are also prohibited from giving tips to other people or to have other people trade on their behalf on the basis of inside information.
- Inside information must be published immediately as an ad-hoc announcement.

These rules apply to the shares and bonds of KION GROUP AG and, of course, to the shares of other listed companies.

KION GROUP AG is required to maintain lists of the people who work for it who have regular access to inside information. These people are notified of their obligations and receive training. The regular compliance training courses include training on insider legislation for all employees.

AD-HOC ANNOUNCEMENTS

An ad-hoc announcement is the immediate publication of inside information. KION GROUP AG is required by law to publish news about the company that could potentially have a considerable impact on the share price without delay. This is done in the form of an ad-hoc announcement (derived from lat.: ad hoc = for this situation). If you are aware of information that is or could be inside information, you are obliged to notify KION GROUP AG's Capital Market Clearing Team without delay. This team will then decide how to proceed.

DIRECTORS' DEALINGS

The rules governing directors' dealings apply to people as private individuals and not to companies. For the purposes of these rules, the following people are deemed to be directors: the members of the Executive Board and Supervisory Board and all managers who have regular access to inside information by virtue of their work at the company and are authorised to make material business decisions.

Anyone in this category who trades in securities must notify KION GROUP AG and the German Federal Financial Supervisory Authority (BaFin) of all transactions involving KION shares and all transactions involving financial instruments related to KION shares if the amount reaches or exceeds €5,000.00 in a calendar year. This notification obligation also applies to people related to directors, such as their spouses or children.

A man with a mustache, wearing a grey suit jacket, a light blue shirt, and a blue tie, is smiling and looking towards the camera. He is holding a black folder and a pen. The background shows an industrial setting with machinery and a whiteboard covered in documents.

COMPETING TO IMPROVE HEALTH & SAFETY

KION SAFETY CHAMPIONSHIP

01

LEARNING FROM EXISTING BEST PRACTICE EXAMPLES is an important aspect of all our endeavours in the field of HSE. HSE stands for Health, Safety and the Environment. This is another area where the KION Group is always looking for new opportunities to raise awareness and improve working practices. One example is the KION Safety Championship, a health and safety initiative that sees teams at various locations competing internally to develop the safety culture at their site. It provides an incentive for everyone. Participating teams are rewarded with activities such as group barbecues. There is also a greater awareness of health and safety at work. Employees now follow safety regulations more closely and there are fewer accidents. Thanks to the KION Safety Championship, the key figures for HSE have significantly improved in 2014.

01 Paul Green, KION HSE Manager, on a site visit.
02 Floor markings are an important element in vehicle and pedestrian segregation and help to avoid accidents.



02

INTERNAL KION GROUP MATTERS

6.1.

HUMAN RESOURCES

FAIR CONDITIONS

We pay our employees appropriate remuneration and offer them fair development opportunities in the company. In return, we expect them to show a high level of commitment.

As a company with an international focus, we welcome the contributions of all employees, regardless of their gender, nationality, skin colour, culture and religion. Recruitment, remuneration and promotions are based solely on merit.

Dialogue with our employees is important to us. We want to discuss with you the achievement of your professional goals, your development opportunities in the company and your training options at regular intervals.

We aim to give all employees as much individual responsibility and freedom as possible. Line managers should encourage employees' professional development and involve them in decisions. All employees can expect fair treatment and appreciation from their line managers.

EMPLOYEE REPRESENTATIVES

We strive to maintain a collaborative relationship with trade unions and employee representatives. Constructive cooperation strengthens our ability to compete on the market.

6.2.

HEALTH AND SAFETY IN THE WORKPLACE

SHARED RESPONSIBILITY

We take responsibility for the health and safety of our employees. This applies to all areas and activities of the company. Safety in the workplace involves more than simply adhering to health and safety regulations. Everyone has to use their common sense and be aware of the risks of their work. By thinking proactively and considering the risks that you and your colleagues face, you contribute significantly to ensuring a safe working environment. That is why we provide our employees with regular training. Overestimating your own abilities and underestimating risks can lead to serious accidents.

COMPLIANCE WITH HEALTH AND SAFETY REGULATIONS

Health and safety in the workplace is governed by numerous laws, regulations and internal rules. It is essential that you comply with them. We regularly provide all employees with comprehensive information about existing and amended rules.

One such rule is that all employees must wear the stipulated protective gear, in particular safety shoes, protective goggles, gloves and helmets. The work clothing provided must be worn.

6.

INTERNAL KION GROUP MATTERS

WORKPLACE ACCIDENTS

In the event of an accident at work, you must immediately make the accident area safe, fetch help and, if necessary, give first aid. All accidents at work must be reported to the manager in charge. This is because we want to continuously improve processes so that we avoid accidents in future and because we have to fulfil our reporting requirements.

EMPLOYEES REQUIRING PARTICULAR PROTECTION

We adhere to the legal provisions regarding the protection of young people, pregnant women and people with disabilities. We take our responsibility for employees requiring particular protection seriously.

DEALING WITH INTOXICATING SUBSTANCES

We comply with all legal regulations when dealing with intoxicating substances. In particular, consuming illegal drugs in connection with employment in the KION Group will not be tolerated.

Beyond that, if an employee performs a job that puts him or her – or others – at immediate risk of injury or death, then the consumption of alcohol and other intoxicating substances is forbidden in the interest of safety. This applies to operating forklifts and machines as well.

The consumption of alcohol and other intoxicating substances during working hours, as well as before the start of work, influences decision-making capabilities, reaction speed and work performance. It can lead to workplace accidents and bad decisions. It is in the interest of the company and all its employees to avoid this.

AVAILABILITY OF HELP

Alcohol and many other intoxicating substances can be addictive. We provide appropriate offers of help to affected employees.

PROTECTION OF NON-SMOKERS

Non-smokers are entitled to be protected against tobacco smoke. The local regulations apply. Smoking is only permitted in designated areas, and smokers are required to be considerate of their colleagues where smoking is permitted.

PROTECTION AGAINST INFECTIOUS DISEASES

Infectious diseases always pose a health risk for individuals, but when a large number of employees fall ill, there is also a risk for the company. The KION Group has taken appropriate precautionary measures to minimise the risk of infection as far as possible.

6.3.

ENVIRONMENTAL PROTECTION

COMMITMENT TO THE ENVIRONMENT

Protecting the environment is part of sustainable corporate development. By making a commitment to protect the environment, we want to maintain the KION Group's competitiveness and, at the same time, fulfil our responsibility as a corporate citizen. Effective environmental protection demands the engagement of all employees.

MEASURES TO PROTECT THE ENVIRONMENT

We develop and build energy-efficient products, use recyclable materials and deploy eco-friendly manufacturing techniques in the production process. We drive the development and deployment of environmentally responsible technologies that help to preserve the environment or reduce the impact on it. Our expectation is that all areas of the company and all employees use natural resources in a sustainable manner.

PERMITS AND APPROVALS

We ensure that our company adheres to all environmental protection regulations applicable to the establishment and operation of our production and service units. We obtain permits and approvals in good time and comply with the rules and requirements associated with them.

RELATIONSHIP WITH REGULATORS

We believe a cooperative relationship with regulators is important. As a rule, one representative is designated for the different areas. He or she is then responsible for contact with the regulators.

REDUCTION OF POLLUTION

We obey the statutory limits for pollution levels and aim to reduce our impact on the environment – particularly in terms of noise, odours, soil contamination and waste water – in an appropriate manner. Nonetheless, it cannot be ruled out that production and service facilities might have an adverse effect on our neighbourhood and the environment.

WASTE

We aim to avoid creating waste in the first place. The waste that we do produce has to be disposed of with the minimum environmental impact. You must make sure that we comply with all waste disposal regulations. This particularly applies to hazardous waste, such as paint, acid and oil. Only if we all adhere to the rules regarding the storage, transport and disposal of waste can we effectively avoid risks for the environment and legal sanctions.

ENVIRONMENTAL REPORT

The company's senior management is responsible for documenting environmental risks centrally as part of the risk management process. To this end, the individual areas of the company produce annual environmental reports containing information about environment-related matters.

6.4.

CONFIDENTIALITY AND PROTECTION OF BUSINESS SECRETS

We have special technological expertise and long standing experience. This includes what each employee is capable of and what they know about their work. If everyone knew and was capable of what we know and are capable of, we would lose our competitive edge. We must prevent this from happening. That is why it is the duty and obligation of all employees to protect this special expertise and treat it in confidence.

CONFIDENTIALITY

Confidential business information is information that the KION Group communicates for internal purposes that is not destined for the public domain. This includes not only information about work processes, strategies and projects but also information about colleagues, customers and business partners. You are not permitted to pass this information to anyone outside the company. And even within the company, you may only distribute business information to colleagues who require it for their work. We call this the need-to-know principle. Conversely, you must not attempt to obtain information that you do not require for your work.

PROTECTION OF INFORMATION – DUTY OF CARE

Confidential information can be found in documents, on your mobile phone or laptop, on a USB stick, in emails or simply in your head. Never leave business documents and data storage media unattended. Store them securely and report their loss immediately. If you talk about business matters in public, people may eavesdrop. The risk with giving out information over the telephone is that you might be passing information to an unauthorised person because you cannot verify his or her identity.

6.

INTERNAL KION GROUP MATTERS

When travelling on business, avoid giving out sensitive information, e.g. planned business activities, financial data and strategies, while on the telephone (landline or mobile) and avoid using hotspots and Wi-Fi in public places and hotels. You must be especially careful here because these connections are not always secure. Regardless of how information falls into the wrong hands, it can always be very harmful to our company.

PROTECTION OF INFORMATION – TECHNICAL AND ORGANISATIONAL PRECAUTIONS

We have put technical and organisational measures in place to protect our data and information. However, these protective measures can only be effective if you use the technical solutions provided and comply with the applicable company policies. In this way, we can avoid the loss of data and prevent unauthorised access to it.

COMPANY INTERESTS

Our business information constitutes our capital and our strength. Handling it carefully ensures our business success and safeguards jobs. Only use this information for your work and always act in the interests of the company.

6.5.

DATA PROTECTION

Data protection is an important concern for us. It is an aspect of information security and safeguards the right to informational self-determination and to protection of privacy. Effective data protection means that everyone decides for themselves who has access to their personal data when, and to what extent. This protection is becoming more and more important in an age of global connectedness and increasing digitisation of information. Personal data held in electronic form is at particular risk. There is always a danger that it will end up in the wrong hands or will be misappropriated.

The challenge for the KION Group as a global organisation is to ensure an appropriate level of data protection in every group company. This is because the data protection provisions vary from country to country, sometimes considerably. We will therefore define a single standard for our companies that is based on European data protection law, thereby enabling us to uphold the personality rights of our employees, business partners and customers.

EXTERNAL INTERESTS RELATING TO DATA PROTECTION

Besides employee data, we hold data on our business partners and customers that is subject to data protection provisions. Their trust in us stands and falls by how carefully we treat this data. Customers in particular, but also public-sector institutions, increasingly ask us about our data protection and data security provisions.

Data protection provisions are highly complex and are updated frequently to reflect advances in technology. We support you in complying with the rules governing the use of personal data. If you have any questions or require assistance, please contact your data protection officer or the data protection coordinators.

FUNDAMENTAL PRINCIPLES

The core aspects of data protection include:

TRANSPARENCY

Everyone must know who has access to their data, to what extent and for what purpose it is used. People must therefore be notified when their data is processed.

PURPOSE LIMITATION

According to the principle of purpose limitation, personal data may only be used for the specific purpose for which it was collected. A change of purpose requires a new legal basis or the consent of the people affected. In some countries, such as Germany, employee representatives must also consent to the processing of employee data.

“BECOME A LITTLE LESS COMPLACENT”

INTERVIEW WITH FAEZEH SHOKRIAN



FAEZEH SHOKRIAN is an IT and legal expert who has held the position of data protection officer in the KION Group since 2011. She is responsible for structuring corporate processes so that they comply with data protection requirements. She also acts as an advisor to the Management Board on this subject and provides assistance to all colleagues in dealing with personal data from co-workers and customers. She says: “For me, data protection means handling sensitive information in a responsible way and respecting the individual’s right to privacy.”

KGCC: Ms Shokrian, in the age of Facebook and Twitter, automatic facial recognition and Big Data, is data protection not an outdated concept?

Shokrian: It is precisely now, in the age of social media, that data protection has become more important. Lots of people

didn’t realise how important it is to think about data protection until they started using sites like Facebook. Digitalised data can be transferred and amalgamated much more easily. That said, data protection legislation has existed in Germany for more than 30 years now. In fact, the German Data Protection Law has become a successful export. Not only has it provided the basis for the European Data Protection Directive, but it has also been used as a framework for national data protection laws worldwide.

KGCC: You often hear the phrase “if you’ve got nothing to hide, you’ve got nothing to fear” as an argument against data protection. What is your view on that?

Shokrian: You’re absolutely right. I often heard that phrase when I first started working as a data protection officer a few years ago. But people are increasingly realising that even apparently ‘harmless information’ can be used to influ-

ence their everyday lives. For example, your searches on the internet are linked together in such a way that a personal profile is created. Based on that, you receive advertising or recommendations that have been customised to you. Some people find that irritating, others find it helpful. Still sounds harmless. But now imagine the same profiling based on credit card data and other online purchases. If someone is a little remiss with their payments on a few occasions, their profile – which they themselves do not know – suggests to a provider that they are not creditworthy. Not quite so harmless. Such cases do exist and they show how important it is to ensure that data protection is effectively enforced.

Aside from the day-to-day issues, it is the lessons learned from the past that have contributed considerably to the development of data protection. In the last few years, we have been able to see very clearly how a state can suddenly become

a crisis zone and the role that digital media plays in this. You can imagine what it might mean if there was access to digitally captured thoughts and opinions in a country where no real importance is attached to protecting the rights of the individual.

KGCC: German president Joachim Gauck once said that data protection officers cannot protect data, they can at best monitor whether data is sufficiently protected. Would you agree with that?

Shokrian: I think he is right in some ways. Data protection officers have to raise awareness and ensure that security mechanisms are introduced that guarantee the protection of data. They can provide encouragement and impose sanctions. People can best protect their data themselves, even though it is not so easy

these days. It requires them to become a little less complacent and to look closely at certain processes that have become established in everyday life or at work. I often hear: "No one has complained before when we requested that data. You are the first." If more people were to question the reason for mass data collection, there would be greater pressure on the state and on business to comply with the requirements of data protection legislation. But things are definitely changing. Consider the decisions of the European Court of Justice, starting with the retention of data. The state is not allowed to simply save personal data – especially call data records – just in case it may be needed at some point in the future. And then there's Google. People now have the right to have data deleted on Google so that it can no longer be found.

KGCC: What is the biggest fallacy in regard to data protection?

Shokrian: I consider the greatest fallacy to be the belief that anyone who complies with data protection is at a competitive disadvantage.

There is no doubt that information about business partners, employees and consumers represents an advantage for those who hold the information. But if this information is collected and used without the knowledge or consent of the people concerned, it has long-term consequences: people, customers and employees lose faith in the state, in suppliers and in their employers. Trust is the most important basis for mutual respect, for achieving common goals, and for commercially successful partnerships.

NECESSITY OF PERMISSION AND NEED-TO-KNOW PRINCIPLE

You may only collect, process and store personal data if you are permitted to do so by law and you need the data for the purpose of your work or the affected people have given their consent. You are not permitted to hold personal data 'in reserve' so that you do not have to collect it again if it is needed later on. This is because you may only access such data when you need it in order to carry out a specific task. The need-to-know principle applies.

DATA ECONOMY AND DATA REDUCTION

You are only permitted to collect and store the personal data that you require for the specific planned use. Data that is no longer needed for this purpose must be deleted without delay.

6.6.

SECURITY OF IT SYSTEMS

IMPORTANCE OF IT AND ITS PROPER USE

Our business processes and production processes rely on our IT systems working without disruption at all times. That is why all employees are obliged to exercise great care when using the IT systems and to adhere to the internal policies.

PROTECTION AGAINST EXTERNAL ACCESS

We use passwords and access authorisation mechanisms to prevent unauthorised access to our IT systems and the loss or destruction of data. That is why you must treat your passwords as confidential and keep them safe – just as you do with the PINs for your debit and credit cards.

PROTECTION AGAINST UNAUTHORISED ACCESS FROM WITHIN THE COMPANY

We process a great deal of confidential data in our IT systems, including technical knowledge, business secrets and employees' personal data. We have to protect this data within the company, too. That is why you are only permitted to access the information and systems for which you have been given explicit authorisation.

USE OF NEW SOFTWARE

The use of new software in an existing IT infrastructure is always subject to risk. Compatibility with existing systems must be ensured now and for the future (e.g. after updates). Before you obtain and install new software, you must obtain permission from the responsible department in the company. The same rules apply to the use of new hardware. Details can be found in the KION Group IT security policy.

USE OF EXTERNAL ACCESS METHODS

Problems may occur if someone accesses our IT systems from outside the company without using the intended access methods and interfaces. This may result in impairment of the mechanisms that protect our IT systems (e.g. firewalls and anti-virus software). Please find out what type of access you are supposed to use (LAN, Wi-Fi, Blackberry, etc.) or obtain authorisation for the type of access that you require.

PRIVATE USE

As a rule, email and the internet may only be used for work purposes. They should only be used privately as an exception. Detailed information can be found in the IT policies and in country-specific or site-specific regulations and works agreements. Please observe any local or regional rules about what is not permitted.

6.7.

USE OF COMPANY PROPERTY

We purchase machinery, vehicles, equipment, computers, goods and office materials to help us achieve our business objectives. This applies to all of the company's assets and funds. That is why they may only be used for the purpose of achieving our business objectives.

We use our funds and all other assets economically and responsibly. You are of course permitted to use company property for its intended purpose. Wear and tear as a result of use is unavoidable, but it can be minimised by handling items with care and storing them correctly. If you notice wear and tear, irrespective of whether it was caused by you or someone else, you must arrange for the item to be repaired or replaced or you should notify the colleague responsible for the item.

Private use of company property is only permitted if you have obtained approval beforehand. The approval process is defined at local level. If company property is damaged while being used privately, the user may be obliged to pay for the damage. This could be very expensive, depending on the type of item damaged.

THE COMPLIANCE DEPARTMENT

Compliance is a complex matter. It is not always easy to determine which rule applies in a particular case. Employees will always have questions about the KION Group Code of Compliance and the more detailed regulations as well as questions about how to act in certain situations. Your first port of call for such questions is generally your line manager. Our open corporate culture should allow us to address issues at the point in the organisation where they occur. If this is not possible, you can contact your local Compliance Representative, the KION Group Compliance Department, your human resources department or your works council.

If you are ever in any doubt, always contact the experts and stay in contact with them.

COMPLIANCE AS A SHARED RESPONSIBILITY

It is every employee's duty to comply with the applicable laws, regulations, procedural instructions and similar. Line managers at every level are responsible for the rules in their particular area of responsibility. They must communicate these rules appropriately, monitor compliance with them and investigate any breaches.

THE KION GROUP COMPLIANCE DEPARTMENT

The KION Group has appointed a Chief Compliance Officer and set up a central Compliance Department. The KION Group Compliance Department assists the management boards of all group companies and all managers and employees with the compliance-related aspects of their work.

The department's activities include:

- assessing company processes with regard to compliance risks
- advising on compliance matters and answering questions
- issuing policies and instructions
- developing processes for the implementation of compliance matters
- providing centralized compliance systems
- developing and providing training materials; running compliance training courses
- investigating incoming reports of non-compliance, examining transactions and responding to cases of non-compliance
- reporting regularly to the Executive Board and Supervisory Board about the compliance situation in the company.

THE KION GROUP COMPLIANCE TEAM

The Compliance Team is part of the KION Group compliance organisation. The team coordinates the many different compliance-related tasks in the KION Group as well as in its regional organisations, brand companies and subsidiaries. It is also responsible for developing a culture of compliance in the company.

The KION Group Compliance Team is made up of the Compliance Representatives. They are the point of contact for a particular brand company, region or site. In addition, they help the central KION Group Compliance Department to carry out its centralised tasks. For example, they contribute to the development of training courses and run training courses at local level. The team is managed and organised by the KION Group Compliance Department.

Where requirements are laid down at Group level, the management boards of the subsidiaries are responsible for implementing the requirements in their organisation and monitoring implementation. As a rule, the management board of a brand company is responsible for its own group of companies.

DEALING WITH CASES OF NON-COMPLIANCE

If you wish to report a case of non-compliance without involving one of the points of contact above, you can get in touch with the KION Group Compliance Committee directly. This committee receives all incoming reports of possible cases of non-compliance and investigates them with the necessary diligence. The members of the KION Group Compliance Committee are the Chief Compliance Officer, the head of the central internal audit department, the head of the central human resources department and the head of the central legal department.

All reports are treated in confidence. We encourage all employees submitting a report to reveal their identity. In exceptional cases, incidents of non-compliance can be reported anonymously. For such cases, please use the international number for the compliance telephone hotline. You can make your call in any KION Group language and you will not be charged for the call. The international numbers for the compliance telephone hotline can be found as an annex to this brochure and on the KION live intranet at

- <http://intranet.kion.grp/de/compliance> (Germany)
- <http://intranet.kion.grp/en/compliance> (international)

Contact details of the members of the KION Group Compliance Committee can also be found on the KION live intranet under the aforesaid intranet link.

If an actual breach of statutory or company regulations occurs, the Compliance Committee and Compliance Department work closely with the internal audit department, which is responsible for resolving such cases.

DEALING WITH COMPLAINTS

As an employee, you have many duties in relation to compliance. But at the same time, you have the right to expect that you will be treated in accordance with everything described in the KION Group Code of Compliance.

If this is not the case, please get in touch with one of the points of contact for compliance. Even if you were mistaken and there was no case of non-compliance, there will not be any negative consequences for you.

COMPLIANCE WEBSITE

Visit the KION Group compliance website on the KION live intranet at <http://intranet.kion.grp/en/compliance>. The website offers additional information along with the contact details for the different people in the Compliance Department, the members of the KION Group Compliance Team and the members of the KION Group Compliance Committee.



A PROTECTIVE FUNCTION ABOVE ALL ELSE

WHEN YOU WORK IN A COMPANY LIKE THE KION GROUP, you are faced with a whole host of rules and expectations. The KION Group helps its employees to fulfil these expectations and avoid misconduct. This important support role is the job of the KION Compliance Department in Wiesbaden, which currently consists of the Chief Compliance Officer and two Corporate Compliance Officers. They can look back on many years of experience at KION and other companies. A KION Compliance Team is currently being set up so that all employees can be reached across the Group, which has sites worldwide. Besides the three people in Wiesbaden, the team includes employees working in the regions, brand

companies and subsidiaries who are the local points of contact for compliance. The Compliance Team will be made up of around 20 colleagues from different functional areas, e.g. finance, purchasing and HR, who will dedicate a portion of their working hours to this role.

One of the main aspects of compliance work is providing information and training on correct conduct. All employees in the KION Group are therefore affected by this work every day. Another, less visible, task of the department is dealing with reports of non-compliance. Despite all the precautions, there are occasional occurrences of misconduct. Or of behaviour that could potentially be misconduct.

HOW CAN EMPLOYEES REPORT A BREACH?

“Employees should first go to their line manager and tell him or her what – at this point we should say: possible – misconduct they have observed,” says Petra Schack. She and Eva Kessler are the two Corporate Compliance Officers in the KION Group. “Dealing with such reports is one of the tasks of all line managers. Often the incident can simply be resolved at this level.” If this is not the case, the employee submits a report either alone or together with the line manager.

< TACKLING THE ISSUE OF COMPLIANCE – from left to right:

Monika Duben, assistant, Beata Scheer, Compliance Representative for Linde Material Handling, Chief Compliance Officer Ruth Schorn and Compliance Officer Petra Schack. Not in the picture: Compliance Officer Eva Kessler.

There are various options available. The employee can contact the company's Compliance Committee – by email, letter, telephone or even in person. Or, they can turn to a member of the Compliance Committee directly, i.e. the heads of the Compliance Department, Legal Department, HR Department and Internal Audit. "Any employee is free to contact us," promises Ruth Schorn, who is in charge of the Compliance Department. And what about the hotline? "That can of course be used by all employees, for example if they don't wish to speak to their line manager, are afraid of contacting the Compliance Committee directly or simply want to remain anonymous."

WHAT HAPPENS AFTER THE REPORT HAS BEEN SUBMITTED?

Ruth Schorn describes the next steps: "Every compliance report is forwarded to all members of the Compliance Committee without delay. We then assess the content of the report and decide which measures are necessary. Usually we need additional information to be able to resolve the matter. On the Compliance Committee, we decide who will lead the investigation. Internal Audit frequently carries out this task. However, if the matter is personnel-related, then the HR Department takes over the case. When we are dealing with reports on the Compliance Committee, there are also rules that apply to us. We always adhere strictly to the requirements in our rules of procedure, from when we receive the report through to when we close the investigation." Unfortunately, not all suspicions prove to be unfounded.

"In such cases, we discuss the matter and recommend to the line manager what would be an appropriate sanction, after consultation with the local HR department."

"Apart from in the case of criminal offences," says Petra Schack, "nearly all compliance breaches occur due to ignorance. This is what our experience has shown us. That's why we are training our colleagues and trying to provide them with as much as information as possible. Each one of them needs to know what is expected of them and how they can avoid mistakes."

HOW DOES THE KION GROUP DEAL WITH THE PEOPLE AFFECTED?

When a report is made, two people are affected: the person who submitted it and the person being reported. "It's very important to uphold the right to privacy of both of them," explains Beata Scheer, Compliance Representative, Linde Material Handling. "That means complete confidentiality. There should not be negative consequences for anyone." The investigation must also be handled with the utmost sensitivity. Ruth Schorn: "This is a delicate task that requires extreme discretion. Often, we can't mention the report of alleged misconduct directly to the person in charge of the affected business unit or to the employee who has been reported. As a rule, we first have to gain an impartial picture of the circumstances. And of course the presumption of innocence applies: until there is proof otherwise, it has to be assumed that the affected employee has behaved in accordance with the rules."

And what happens to the affected employee once the investigation is complete and the accusations have proved unfounded? "Then we ask the line manager to hold a concluding discussion with the employee. Somehow, a false impression of misconduct has arisen. They should jointly consider what caused this and what can be done to ensure it doesn't happen again. The discussion has, above all else, a protective function for the affected colleague, but also for his or her line manager and team. We see this as a responsible course of action."

Fulfilment of data protection rules is of course also ensured. "We treat all personal data as confidential. Only the people dealing with the report have access to it," emphasises Petra Schack. "And at the end of the process, the affected person's data – such as their name and email address – is deleted or blacked out."

"A compliance system is only effective if intentional misconduct leads to consequences," summarises Ruth Schorn. "Nobody can choose which rules to obey and which not. After all, rules that aren't observed are useless. And we also ensure that the matter does not come to nothing. But above all, the Compliance Department and the Compliance Team do everything they can to prevent such serious consequences becoming necessary in the first place."



STONE AGE TEACHING METHODS?

TWO STONE AGE MEN MEET in the sauna to talk about the next generation of fork-beasts... a comedy scene? Perhaps. But one with a serious message and a higher purpose. Over the next few years, scenes including this one will help employees of the KION Group around the world understand and commit to the same compliance practices. Together these are known as the KION Group Code of Compliance. And they'll be taught by means of e-learning.

"Adhering to a common code of conduct is particularly important for us as a publicly traded company," says Petra Schack, KION Compliance Officer with responsibility for the KION Group Code of Compliance e-learning course. "Our aim is for the employees of the KION Group to know the main rules of conduct. It's not enough to just hand out brochures. We have to train our staff and get them actively involved." For employees who don't have access

to a PC, the Compliance Team will organise classroom-based training. "The whole truth right to your screen!" promises host Harry Gant. This chirpy cartoon character guides participants through the online training, asking questions of the experts and presenting sound and video clips. Examples from the Stone Age and the present day vividly illustrate topical compliance matters. The overriding message: compliance is a timeless subject.

FREEPHONE NUMBERS OF THE COMPLIANCE HOTLINES

COUNTRY	FREEPHONE NUMBER	COUNTRY	FREEPHONE NUMBER
Argentina	0800 6662603	Luxembourg	8002 4450
Australia	1800 121 889	Malaysia	1800 885 530
Austria	0800 281700	Malta	800 62404
Belgium	0800 71025	Mexico	01800 123 0193
Brazil	0800 891 8807	Netherlands	0800 022 9026
Bulgaria	00800 110 44 74	New Zealand	0800 443 816
Canada	1888 268 5816	Norway	800 14870
Chile	123 002 004 12	Philippines	1800 1441 0948
China	10800 152 2112	Poland	00800 442 1245
Croatia	0 800 222 845	Portugal	800 880 374
Columbia	01800-944 4796	Puerto Rico	1866 293 1804
Cyprus	800 95207	Romania	08008 94440
Czech Republic	800 142 428	Russia (within the Rostelecom network)	810 800 260 81044
Denmark	8088 4368	Saudi Arabia	800 844 0172
Egypt	0800 000 00 23	Singapore	800 4411 140
Eire	1800 567 014	Slovakia	0800 004461
Estonia	800 00 44 265	Slovenia	0800 80886
Finland	0800 116773	South Africa	0800 990520
France	0800 900240	Spain	900 944401
Germany	0800 182 3246	Sri Lanka	011 244 5413 (dialling from Colombo omit 011)
Greece	00800 4414 5735	Sweden	0200 285415
Hawaii	1866 293 2604	Switzerland	0800 563823
Hong Kong	800 930770	Taiwan	0080 10 44202
Hungary	06800 14863	Thailand	001 800 442 078
Iceland	800 82 79	Turkey	00800 4488 29578
India	000 800 440 1286	United Kingdom	0800 374199
Indonesia	007 8030 114626	UAE (United Arab Emirates)	8000 44 138 73
Italy	800 783776	USA	1877 533 5310
Japan	00531 78 0023	Venezuela	0800 100 3199
Korea (South)	00308 442074		
Latvia	800 26 70		
Lithuania	8800 30 444		

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