

TRISTONE FLOWTECH CODE OF CONDUCT POLICY

# Policy: Code of Conduct

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# TRISTONE



Tristone operates internationally and need to respect a wide range of different legal requirements based on different cultures and in different areas of business and legal backgrounds. Key driver in our daily business is our philosophy of Excellence and high Quality standards.

Excellence and Quality must also include “excellent” behavior in everyday business. The management is committed to act in a responsible and lawful manner in all daily business and in all countries. This leads us to a reliable partner and an attractive employer. And, all our employees are requested to conduct lawful and ethical. Compliance – responsible and lawful behavior- must be an integral part of our company culture.

The Board implemented this Code of Conduct to set the standard for responsible and lawful behavior. The Code of Conduct emphasizes our commitment to Compliance with the laws and international conventions and reflects common values. The Code of Conduct is binding for all of us. Infringements will be treated accordingly, but fairly.



1. Human rights .....	4
2. Equal treatment and non-discrimination .....	4
3. Donations and sponsoring.....	5
4. Lobbying .....	6
5. Environmental protection .....	6
6. Occupational health and safety.....	7
7. Conflict of interest.....	7
8. Gifts and invitations.....	8
9. Corruption .....	8
10. Fair competition .....	9
11. Export control.....	10
12. Prohibition of money laundering .....	10
13. Capital market .....	11
14. Insider trading .....	11
15. Data protection .....	12
16. Protection of know-how, patents, trade and business secrets.....	13



## **Preamble**

Specific rules and regulations for individual situations and circumstances in the work environment are clearly formulated in TRISTONE's policies. These rules are unconditionally valid and binding.

## **1. Human rights**

### **What does that mean?**

The Declaration of Human Rights is a common standard of achievement for all people and all nations whose universal and effective recognition and observance must be secured by everybody.

### **TRISTONE's policy**

TRISTONE believes in ethically correct behavior. Therefore we respect all regulations in force to protect human rights. This fundamental requirement applies internally as well as towards external business partners.

### **What you should do**

- As an employee of TRISTONE, you can also contribute to respect human rights. Consider human rights as a fundamental guideline whenever you are dealing with other people.
- If you get aware of a possible human rights abuse in your work surroundings, try to prevent or to stop it. If this is impossible, notify your direct superior or use the compliance button<sup>1</sup> to report this.

### **In your daily work life**

You receive information that workers of TRISTONE are buying products manufactured from workers who are exposed to inhuman work-conditions.

- This must immediately be reported. Further TRISTONE has to examine its business relationship with this company very carefully and to act appropriately after this examination.

## **2. Equal treatment and non-discrimination**

### **What does that mean?**

A culture of equal treatment and respect is of great importance to TRISTONE. We promote equal opportunities and prevent discrimination. We support diversity in order to achieve the highest degree of productivity, creativity and efficiency.

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<sup>1</sup> Please refer to our website at [www.tristone.com](http://www.tristone.com)



### **TRISTONE's policy**

TRISTONE offers equal opportunities to men and women. TRISTONE treats everybody equally, regardless of gender, age, skin color, culture, ethnic origin, sexual identity, disability, world view or religion.

#### **What you should do**

- Follow the principles of equal treatment and non-discrimination and encourage everybody around you to do so equally.
- If you become aware of these principles being violated, inform the acting people of their misconduct or otherwise inform your direct superior directly or via the compliance button.

#### **In your daily work life**

You find out, that applications of black people are not even considered by the responsible person from the human resources department, but immediately rejected.

- Report this case to the person responsible for the human resources department.

## **3. Donations and sponsoring**

### **What does that mean?**

TRISTONE regards itself as an active corporate citizen. Therefore we demonstrate our commitment in different ways. All of these actions are carried out solely in the interest of TRISTONE.

### **TRISTONE's policy**

TRISTONE does not support political parties and does not grant any donations for religious causes. No donation is being made to receive a special performance or decision in return for the donation. Donations are made in a transparent and open manner.

Donations above the threshold of 1.000 Euro needs to be approved by Group CFO and Group CEO. Donations below this amount needs to be approved by the Managing Director and the Financial Manager of the respective Legal Entity.

#### **What you should do**

- Only grant donations or sponsoring measures in accordance with TRISTONE's policy.

#### **In your daily work life**

The church of your hometown is setting up a bazaar and asks you for a sponsorship by TRISTONE.

- Every donation must be approved for being in line with the group's donation policies. This specific donation cannot be approved, as TRISTONE does not support any religious causes.



## 4. Lobbying

### What does that mean?

Lobbying is a part to bring TRISTONE's interests into different decision-making processes, like those for legislation plans.

### TRISTONE's policy

TRISTONE's lobbying activities are open and transparent. TRISTONE respects the local laws in all countries concerning lobbying.

### What you should do

- Do not lobby unless this has been agreed upon with your superior and CEO. Do not try to influence political decisions in favor of TRISTONE.

### In your daily work life

You know a member of the parliament very closely. An acquaintance of yours is a member of the parliament. You know that a legislation proposal that is important for TRISTONE is currently being discussed in the parliament and contemplate the idea of contacting your acquaintance to explain TRISTONE's interests in connection with this legislation proposal.

- Do not approach your acquaintance about the issue. Lobbying at TRISTONE is only coordinated centrally and conducted openly and transparently. The right point of contact for such lobbying action is TRISTONE'S CEO.

## 5. Environmental protection

### What does that mean?

For TRISTONE protecting the environmental and climate protection as well as resource efficiency are key objectives. We all bear responsibility to conserve natural resources and to protect the environment.

### TRISTONE's policy

During our daily work, we ensure that all impacts on the environment and on the climate are kept to a minimum and that legal requirements are fulfilled.

### What you should do

- Conserve resources and energy
- Make the people around you aware of a behavior that may damage the environment

### In your daily work life

You notice that a can with motor oil is leaking liquid that is seeping into the ground.

- Do not rely on somebody else reporting it. Inform an employee responsible of the problem.



## 6. Occupational health and safety

### What does that mean?

The health and safety of TRISTONE's employees is an objective as important as the quality of our products and the base of our commercial success.

### TRISTONE's policy

TRISTONE's employees have a right to a safe and healthy working environment. Regarding occupational health and safety TRISTONE complies with all legal and technical requirements and standards for safety in the workplace in the different countries.

### What you should do

- Promote safety and health in your work surroundings
- Comply with the health and safety regulations
- Make sure, that your colleagues are working in a safe and healthy surrounding

### In your daily work life

You get aware of the fact that the fire-extinguisher in your office has not been checked for a while.

- Check the due date and inform the people responsible, to have it checked.

## 7. Conflict of interest

### What does that mean?

A conflict of interest is the collision or possible collision of an employee's private interest with TRISTONE'S interests. Undisclosed private interests may cause serious harm to TRISTONE and are a sign of unprofessional behavior.

### TRISTONE's policy

All employees are primarily bound by TRISTONE's interests. Therefore TRISTONE must rely upon that its employees' decisions are made solely in the best interest of TRISTONE.

### What you should do

- Always check if there might be a possible conflict of interest in your decisions. Immediately inform your superior of such conflicts of interest.
- Avoid the appearance of a conflict of interest and disclose any apparent or actual conflicts of interest to your superior.



### **In your daily work life**

One of TRISTONE's possible business partners is a company that belongs to a relative of you. You are the responsible person to decide over the offers made by different possible business partners.

- You must inform your superior that you have also received an offer of your relatives company. You must exclude, that your decision is influenced by personal interests or step back from making this decision.

## **8. Gifts and invitations**

### **What does that mean?**

Benefits like gifts and invitations are a part of ordinary business conduct.

Nevertheless, such benefits must not exceed, what is deemed appropriate, or be misused to influence business partners, as this may be seen as corruption.

### **TRISTONE's policy**

All gifts, hospitalities and invitations that exceed the equivalent amount of 75 € are not allowed to be granted or accepted. Exceptions can be made, after written approval of the superior.

### **What you should do**

- Check your conduct in connection with gifts, hospitality and invitations
- Make sure, that your conduct is not influenced by gifts, hospitality or invitations

### **In your daily work life**

A business partner makes you a present, whose value is far more than 50 €.

- The gift has to be rejected, even if you are sure, that your conduct towards this business partner is not influenced by this gift.

## **9. Corruption**

### **What does that mean?**

Corruption is a criminal offense and sanctions under criminal law may incur for TRISTONE's employees who are involved in corruption. Furthermore TRISTONE might be exposed to heavy fines.

### **TRISTONE's policy**

TRISTONE does not tolerate corruption. No benefits must be granted or received that are not legally permitted.



### **What you should do**

- Never grant or accept bribes in any form.
- Keep an eye out for any acts of corruption around you. Immediately inform your superior or use the compliance button, if you become aware of any such actions.

### **In your daily work life**

You are responsible for sales. You are preparing a bid for one of your major customers. The responsible person at your customer asks you for a payment to him personally to influence the decision over the bids in TRISTONE's favor.

- Reject that offer and immediately inform your superior.

## **10. Fair competition**

### **What does that mean?**

Fair and free competition is protected by several laws. This shall ensure that competition is not distorted. All agreements or similar actions between competitors intended to influence the market to achieve an advantage are prohibited. The same applies for the use of dominant position in the market. The violation of competition laws may incur severe fines and penalties and can possibly damage TRISTONE's image in the market.

### **TRISTONE's policy**

TRISTONE does not enter into any anti-competitive agreements with competitors, suppliers or customers. TRISTONE will not use its position in the market to influence the market illegally.

### **What you should do**

- Do not share information with competitors that are relevant for the market e.g. prices, pricing, business planning, stockpiled inventories or delivery times.

### **In your daily work life**

You talk to a competitor's employee at a trade fair. After a while you notice that he is trying to coax information about TRISTONE's calculation of prices. In return, he offers to disclose the same information about his company.

- Make clear that you will not talk to the competitor's employee about such issues. This type of conversation is a breach of the competition and antitrust legislation in force. This might have serious consequences for you personally as well as for TRISTONE.



## 11. Export control

### What does that mean?

Foreign trade can be restricted under export control regulations for security reasons. This applies for the cross-border exchange of goods and services that might be used as weapons or arms.

### TRISTONE's policy

TRISTONE complies with all provisions for importing and exporting goods, services and information in the different countries.

### What you should do

- In the case of decisions to import or export products, consciously examine whether this decision may be subject to export control. In case of any doubt inform your superior.

### In your daily work life

You receive a request from a potential customer wishing to place an order with TRISTONE to supply products in a country that is in a state of war.

- Clarify the matter by checking about export restrictions that apply to the country to be supplied (e.g. UN embargo) and do not conclude any contracts binding TRISTONE to export to this country until the issue has been fully clarified and the legal department has been informed.

## 12. Prohibition of money laundering

### What does that mean?

Money is laundered if funds or assets that origin from criminal activities are put into the circulation of the legal economy to make them appear legal. Money laundering is a crime and may incur serious penalties for the persons involved

### TRISTONE's policy

The identities of customers and all other third parties have to be checked carefully, if legal relationships are entered into. Business is only conducted with legitimate business partners that operate in line with legal provisions. Cash must flow transparently and openly.

### What you should do

- Do not take part in any action that may violate anti-money laundering laws.
- Always ask for payments being made by bank transfer. Do not accept cash payments.

### In your daily work life

One of TRISTONE's customers overpaid his bill. He asks for the exceeding amount to be repaid by transferring it to an account held in the USA or Switzerland or by paying it in cash instead of via bank transfer to his general business account.



- Do not accept the suggestion and ask the customer why the amount cannot be repaid in the same way it was originally paid. If you are still in doubt about whether the customer's request is legitimate after he has answered, inform your superior or the legal department.

## 13. Capital market

### What does that mean?

The shareholders' success on the capital market is based on being trustworthy. Irregularities can have serious consequences for the shareholder and the employee involved.

### TRISTONE's policy

TRISTONE adheres strictly to all applicable rules for proper accounting and financial reporting according to the applied accounting policies. Transparency and openness are of highest importance.

### What you should do

- Make sure that all financially relevant information is recorded correctly and in good time if you are responsible. In any case of doubt, contact your superior or the legal department.

### In your daily work life

You want to release an order, but urgently need new equipment. However, the budget in your department for the current fiscal year has already been used up. You consider acquiring the equipment nevertheless and posting the costs in the next fiscal year when your budget is replenished.

- Entries must always be posted correctly. Posting entries incorrectly may have serious consequences for the company or individual employees.

## 14. Insider trading

### What does that mean?

It is legally prohibited to use inside information in the purchase or sale of shares, financial instruments or other securities. As an employee of TRISTONE you get in touch with a lot of information that is classified as insider information e.g. confidential business information, forecasts, possible gains or losses.

### TRISTONE's policy

Tristone does not tolerate insider trading. You are only permitted to use internal information for business purposes.



### **What you should do**

- Never transmit inside information to people outside of TRISTONE.
- Contact your superior or the legal department if you have access to insider information and want to buy or sell shares.

### **In your daily work life**

You learn through your work at TRISTONE that the acquisition of a new business is going to be announced at shareholder's 's or TRISTONE's next press conference. You know that a good friend is currently considering whether to sell his Zhongding Group shares. Since the price of Zhongding shares will likely rise, once the acquisition of the new area of business has been announced, you consider telling your friend that he should wait to sell his shares until after the press conference.

- Do not tip your friend off under any circumstances. Since the information of which you are aware is not public but inside knowledge, you are not permitted to share this knowledge with other people under any circumstances. Transmitting this knowledge directly or indirectly would render you liable to prosecution.

## **15. Data protection**

### **What does that mean?**

Privacy is protected by the law, if personal data is handled. Collecting, storing, processing and other use of personal data essentially require the consent of the person concerned or a specific legal basis.

### **TRISTONE's policy**

TRISTONE protects the personal data of employees, customers, suppliers and other persons concerned. TRISTONE only collects, gathers, processes, uses and stores personal data for which this is prescribed by law or required for TRISTONE's regular business operations.

### **What you should do**

- Ensure that personal data is only collected, stored, processed or used in any other way on a legal basis or with the consent of the person concerned.
- In case of doubt, contact your superior before handling the personal data.

### **In your daily work life**

You are coordinating a visit from students at TRISTONE. You have received personal data from these students. The HR department asks you to pass the addresses on.

- Do not pass this data on without the consent of the students. Personal data must be protected at all times



## **16. Protection of know-how, patents, trade and business secrets**

### **What does that mean?**

Know-how, confidential business information and patents are one of the key valuables of TRISTONE's business. Unauthorized transmission of such knowledge may lead to extremely high losses for TRISTONE and furthermore to penalties under civil and criminal law for the employee concerned.

### **TRISTONE's policy**

TRISTONE employees are not permitted to transfer unauthorized confidential information such as technical data, financial data, business data, customer information or other information relating to TRISTONE's business, to third parties.

### **What you should do**

- Treat information relating to technical know-how, patents, trade and business secrets, carefully.
- Respect the intellectual property of competitors and business partners.

### **In your daily work life**

You are taking confidential presentations about the calculation of TRISTONE's prices with you on a business trip. Before you enter the plane, you toss the presentation into a waste bin at the airport.

- You must ensure that sensitive information belonging to TRISTONE does not end up in unauthorized hands. Do not leave this type of information in places where third parties can access it or take note of it. So take the presentation with you, and dispose it into a safe waste bin at your office.

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