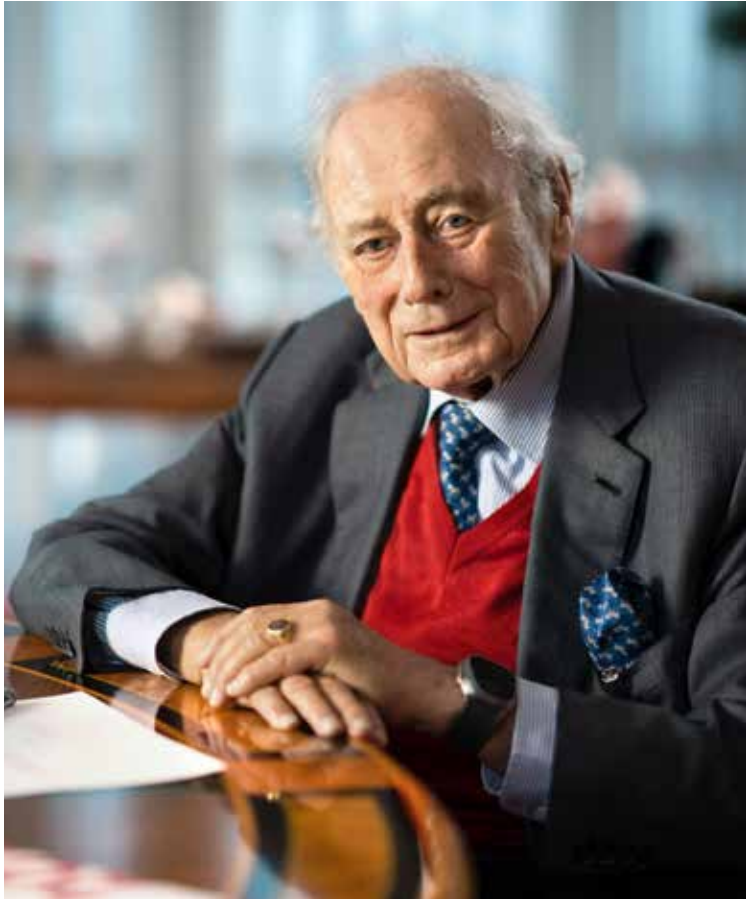


Code of Compliance Würth Group



Prof. Dr. h. c. mult. Reinhold Würth,
Vorsitzender des Stiftungsaufsichtsrats der Würth-Gruppe

»We want performance, predictability,
honesty and straightforwardness.«

THE WÜRTH GROUP

The Würth Group is the global market leader in the trade of fastening and assembly materials. Adolf Würth laid the foundation in 1945 when he set up Adolf Würth GmbH & Co. KG in Künzelsau, a simple screw company that would later become the parent company of the Würth Group. After his father's early death in 1954, Reinhold Würth (the current Chairman of the Supervisory Board of the Würth Group's Family Trusts) took over the family business at the age of 19, at that time with an annual sales volume of EUR 80,000. The company began to expand into international territory in 1962 as the first company abroad was founded in the Netherlands. Today, the Group has more than 400 companies and operates in over 80 countries.

The business units of the Würth Group are divided into Würth Line companies and Allied Companies. The Würth Line companies are responsible for the Group's conventional core business, the sale of assembly and fastening materials. Our high quality demands are applied to more than 125,000 products: screws, bolts, screw accessories, anchors, chemical products, furniture and building fittings, tools, storage and retrieval systems, and protective equipment for professional users. The Allied Companies operate in similar business areas with sales or manufacturing companies. Financial service providers as well as hotels and restaurants are also included in this unit.

An extraordinary company philosophy

The Würth brand is synonymous with high-quality products and outstanding services. However, the Würth Group is not simply a trading company for assembly and fastening materials. The long-term success of our company is underpinned by our extraordinary corporate philosophy and the common values that shape the way we work day to day.

Our visionary thinking drives us to achieve new milestones time and again, and allows our family business to grow in a sustainable manner. In doing so, we encourage all of our employees to contribute their ideas and creativity to help us in our endeavors. Demanding and promoting performance is firmly embedded in Würth's corporate culture. We live by the rules we set: to work with a sense of optimism, responsibility and mutual respect.

The Würth Group around the world

■ Countries in which Würth is represented



PREFACE



Bettina Würth, Chairwoman of the Advisory Board of the Würth Group

**Ladies and Gentlemen,
Dear colleagues,**

Mutual trust, reliability, honesty and straightforwardness, both inwards and outwards, are the fundamental principles deeply ingrained in the Würth Group's corporate culture. Our commitment to these values was first laid down in the Corporate Philosophy which was written by Reinhold Würth in the 1970s.

These principles do not just include adhering to all applicable rules and laws, but also the proper mindset of the employees which constitutes an integral part of the sustained corporate success of the Würth Group.

And it is our goal to promote this mindset. At the same time, this mindset entails our employees' strict adherence to all applicable national and international rules and laws. To make these principles more transparent for our employees as well as our customers, suppliers and other business partners, we have developed practical rules of conduct on the basis of our corporate values, which are summarized in the Code of Compliance of the Würth Group.

The Code of Compliance contains minimum requirements which must be observed by all employees of the Würth Group worldwide. Every employee therefore has to be familiar with the Code of Compliance and commit to the fundamental principles and rules of



The Central Managing Board of the Würth Group (from left to right): Rainer Bürkert, Bernd Herrmann, Robert Friedmann, Dr. Jan Allmann, Ralf Schaich

conduct contained therein. The management bodies and executives of our companies bear a special responsibility as they have a role model function.

This Code of Compliance is supported by the firm conviction of the Würth family, the Supervisory Board of the Würth Group's Family Trusts, the Advisory Board and the Central Managing Board of the Würth Group that a living compliance culture constitutes an integral part of our further sustained success.

Against this backdrop and in the interest of the Würth Group and all its employees, we would ask you to commit to the principles laid down in the Code of Compliance of the Würth Group in your everyday work.

Bettina Würth

Chairwoman of the Advisory Board of the Würth Group

**Robert Friedmann, Dr. Jan Allmann, Rainer Bürkert, Bernd Herrmann,
Ralf Schaich**

Central Managing Board of the Würth Group

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APPLICABILITY

This Code of Compliance applies to all Würth Group employees*.

This Code of Compliance sets out rules of conduct for the employees of the Würth Group. It should be viewed as a guideline and is intended to assist everyone in making decisions in their day-to-day work that conform to both the law and to the Würth Group's corporate values. This serves to protect the entire Group of companies and their employees.

The rules contained in this Code of Compliance are binding. If further rules are required due to country-specific factors or differing business models, additional rules can be added to this Group-wide Code of Compliance at the company level once they have been approved by the Würth Group's Chief Compliance Officer.

The general rules of conduct described in this Code of Compliance also apply when dealing with customers as well as for suppliers and other business partners.

We expect our business partners to feel obliged to follow these principles as well. Observance of the law, honesty, reliability, respect, and trust comprise the universal foundation of good business relationships.

* The terms "employee" and "employees" as used in this document refer to both male and female employees. Any other terms that may appear to be gender-specific are also meant to encompass both males and females. Any such measures are aimed solely at simplifying the text and are not to be associated with any value judgment.

I. GENERAL RULES OF CONDUCT

1.1 We act with integrity

Mutual trust, reliability, honesty and straightforwardness both inwards and outwards guide our actions. We safeguard the image of the Würth Group and avoid conflicts of interest.

The Würth Group's image is greatly influenced by the conduct of its employees. Inappropriate conduct is not only capable of significantly tarnishing our image but can also result in penalties, which may ultimately have a negative impact on every single one of our employees. This is why we ensure that Würth's image is upheld and safeguarded at all times as we go about our work.

Integrity and reliability form the bedrock of Würth's corporate culture. This means that we must behave honorably, fairly, with decorum and integrity in every situation as we go about our daily routine. We therefore avoid any conflicts between personal and business interests.

1.2 We comply with applicable laws and internal rules

Applicable laws and internal rules are to be strictly complied with at all times. Members of management view it as their duty to ensure that everyone is aware of and complies with relevant laws.

As a company, we are a part of the society in which we operate, and we are therefore subject to its rules and laws. Our corporate identity requires that we, the employees of the Würth Group, strictly follow all applicable laws and other regulations in every situation and in every country. The same applies for internal

directives and guidelines, including this Code of Compliance. Likewise, we stand by our commitments to fulfill all of the contracts and agreements we have entered into.

In order for us to act in accordance with the law, we must be aware of the relevant national and international laws and other regulations. As employees, we also view it as our duty to independently acquaint ourselves with the laws and regulations applicable to the work for which we are responsible. Notwithstanding, it is the duty of the members of management to inform their employees of any relevant laws and regulations and to ensure that they are complied with.

1.3 We treat each other in a responsible manner and with respect

We assume responsibility for our actions, work in mutual respect and appreciation and are straightforward and predictable in everything we do.

The Würth Group's corporate culture is marked by mutual respect and a responsible manner of dealing with each other. This applies both to our dealings with business partners and our contact and cooperation with members of our own corporate group.

Informed employees are better employees. We try to gain our employees' loyalty to corporate goals, to motivate them, and to reinforce their feeling of belonging here at the company by providing them with information on a regular basis.

1.4 **We honor human rights and respect human dignity**

We respect personal rights and human rights, we reject child labor and forced labor, and make decisions based only on considerations that can be weighed objectively.

We respect and safeguard the dignity of our fellow human beings, the privacy and the personal rights of every individual. We see people, their experiences, and their uniquely personal attributes as added value for our company. Decisions that affect people are therefore made solely on the basis of objective considerations. We do not make any decisions that violate the Universal Declaration of Human Rights. When making decisions, we adhere to the guidelines set by the International Labour Organization (ILO).

For us, this means in particular that we reject every form of forced labor and child labor, and that we do not allow any kind of discrimination on the basis of ethnic background, religion, age, disability, sexual identity, or gender. Moreover, we do not tolerate violence, intimidation, mobbing, or sexual harassment in the workplace.

1.5 **We handle company property responsibly**

We handle the Würth Group's tangible and intangible property with care and do not make use of it for personal purposes.

The facilities, working materials, business documents and data put at our disposal for our work are the property of the Würth Group. We always handle these assets carefully and responsibly, and will never use them inappropriately.

We do not tolerate either negligent or intentional actions taken against company property.

1.6 **We work to ensure safety in the workplace**

We ensure that our workplaces comply with the legal standards set for workplace and occupational safety and the regulations regarding working hours.

The health of our employees is very important to us. Protecting the health of our employees and avoiding risks is of the utmost priority for us. We wish to provide our employees with a safe work environment and therefore take pains to ensure that all provisions, laws, and standards regarding workplace safety and occupational safety are complied with.

Our employees must be allowed adequate time to relax and recuperate. We therefore see it as our responsibility to comply with existing legal and internal regulations regarding working hours, breaks, and rest periods.

1.7 **We protect the environment**

We protect the environment by handling non-renewable resources sensibly from an ecological standpoint and advocate the protection of nature.

The Würth Group recognizes that certain natural resources are limited. We therefore strive to handle natural resources sensibly from an ecological standpoint. This means not only that we comply with existing laws regarding environmental protection and sustainability but also that we attempt to avoid the unnecessary use of non-renewable resources whenever possible. Every employee is therefore urged to implement practical measures to reduce the waste of resources and to avoid creating pollution.



SWG Schraubenwerk Gaisbach GmbH in Waldenburg, Deutschland

II. DEALING WITH BUSINESS PARTNERS

The general rules of conduct described in this Code of Compliance also apply when dealing with customers, suppliers, and other business partners. We expect our business partners to feel obliged to follow these principles as well. Observance of the law, honesty, reliability, respect, and trust comprise the universal foundation of good business relationships.

2.1 **We reject every form of corruption and bribery**

We reject corruption and bribery in all of their forms. We comply with all relevant laws and regulations. Unambiguous internal standards of conduct are spelled out to provide for improved orientation.

Corruption and bribery harm competition and impede innovations. They cause companies to forfeit their prosperity and reputation. Corruption and bribery are banned worldwide and are subject to harsh penalties. The Würth Group does not tolerate corruption or bribery in any form, neither the offer or provision nor the request or acceptance of inappropriate benefits or advantages.

This does not apply merely to personal benefits and advantages. We acquire our orders by inspiring our customers with better solutions. We are tough negotiators with our suppliers, but we always negotiate fairly. We strictly reject payoffs intended to obtain orders or expedite administrative processes and adhere to the policies of our business partners on the acceptance and offering of gratuities. These principles not only apply to all employees but also to any other individuals and organizations acting on behalf of or in the interest of the Würth Group.

2.2 We support fair competition

We stand in support of fair, performance-based competition and do not take part in arrangements with other market participants that are restrictive of competition.

The Würth Group views itself as committed to the guiding principle of the social market economy. We therefore stand in support of fair, performance-based competition. In particular, this means that we do not participate in cartels or other practices that are restrictive of competition or otherwise unfair. It is the duty of the members of management to ensure that this is the case.

Specifically, this means that Würth Group employees do not enter into any written or verbal arrangements with competitors concerning prices, quotas, or markets to be developed. We enter into other arrangements with other market participants only within the limits allowed by law. We also do not participate in exchanges of information regarding internal considerations relevant to competition. We do not seek to illegally influence our business partners and buyers concerning their pricing. Moreover, wherever we have a position of market dominance, we do not exploit this.

Because even verbal or tacit agreements can be classified as anti-trust violations, we urge our employees to always act with care and caution whenever dealing with competitors. If a competitor attempts to persuade a Würth Group employee to enter into prohibited arrangements, the employee should report this immediately to his or her member of management or the office in charge. The response to such propositions should be appropriate.

2.3 **We do not allow ourselves to be abused for illegal ends**

We do not participate in activities aimed at money laundering or the financing of terrorism, and we report any appropriate, suspected incidences of such.

Money laundering is the disguise of the origin of money from illegal sources such as terrorism, drug trafficking, bribery, etc. We only want to have business relationships with respectable partners who observe the law and who obtain their financial resources from legitimate sources. We therefore comply with the prohibition of money laundering and do not participate in financing illegal activities. We comply with the laws concerning money laundering and the financing of terrorism. We take practical precautionary measures to identify our business partners. Our employees are urged to report suspected incidences. We comply with statutory requirements, in particular involving the report of suspected incidences, and cooperate with the appropriate government agencies.

2.4 **We follow all applicable laws on export controls and customs**

When conducting international commerce, we obey export bans, sanctions, and embargos. When there are questions or uncertainties, we approach the relevant offices.

International trade with certain goods and services is subject to restrictions. We have created positions of responsibility for cross-border transactions (e.g. our customs and international trade officers) and introduced internal controls in order to ensure compliance with export bans, sanctions, and embargoes. Our employees always follow export control processes.

We are aware that this applies not only to goods that have a physical presence but also to information and technologies, and that these likewise may not be turned over unlawfully to third parties. Violations can cause enormous harm to the Würth Group. All employees are therefore urged to exercise prudence and, for example, to not pass on information unlawfully via email or over the telephone. Our employees can and should approach their supervisors or the relevant offices whenever there are questions or uncertainties.



Würth Limited in Zebbug, Malta

III. AVOIDING CONFLICTS OF INTEREST

Personal interests may be in conflict with the interests of the Würth Group. Conflicts of interest can have a negative impact on the integrity, professionalism, and success of the Würth Group. For Würth Group employees, corporate interests have priority over personal interests. This concerns the following areas in particular:

3.1 **Prohibition of competition**

We do not compete with companies in the Würth Group.

An employee of the Würth Group may not acquire or participate in a business or simultaneously work for a business in competition with the Würth Group.

3.2 **Equity interests in companies**

Equity interests in other companies are permitted provided no decisive influence can be exerted on such companies.

Investment holdings in companies that are not competitors of Würth are permitted provided no influence over management can be presumed. In instances of an equity interest of 5% or more in corporate capital, the equity interest is to be reported to the relevant offices within the Würth Group.

3.3 **Secondary employment**

Secondary employment must not harm the Würth Group.

The employee may only perform paid or unpaid (including voluntary) activities with the written consent of the employer. The employer will grant consent if the secondary employment does not interfere with the employee's duties within the scope of the employment relationship or other legitimate interests of the employer.

Exceptions to this are occasional writing activities, lectures and similar activities that do not interfere with the legitimate interests of the employer. We welcome the voluntary commitment of our employees.



Würth Canada Ltd., Ltée in Guelph, Kanada

IV. HANDLING OF INFORMATION

At Würth, we engage in a cooperative management style. We entrust our employees with information for their work, and managers are urged to make decisions transparent and comprehensible by providing additional information.

4.1 **We handle the company's data responsibly**

We maintain the confidentiality of information. Only the appropriate and authorized offices in the Würth Group communicate information to external parties.

As a rule, strict confidentiality is to be maintained regarding the company's confidential information. Such information may not be passed to unauthorized parties, either internal or external, and must be protected from unauthorized access. Such confidential information may include, for example, business and market information, reports, internal communiques and directives, or other trade secrets.

Only specially qualified and responsible offices, individuals, and departments, such as senior management, the PR Department, or the Legal or Finance Departments, may exchange information with external parties.

The obligation to maintain confidentiality also remains in force beyond the duration of the employment relationship.

4.2 **We do not exploit our knowledge of internal matters**

We may not use insider information for our own advantage or for the advantage of third parties.

We often know things about companies within the Würth Group or their business partners that are not known to outside parties and therefore are not public knowledge. Such insider information can be valuable in the capital market since it is capable of influencing investment decisions and stock prices. Purchasing or selling securities (etc.) or recommending that other parties purchase or sell securities (etc.) on the basis of insider information is prohibited.

4.3 **We comply with data privacy and data security regulations**

We handle personal data and other data with care and ensure that privacy rights are not infringed.

Data is of considerable importance both for the Würth Group as well as for the individuals associated with that data. The appropriate protection of this data and the prevention of its misuse are of top priority. Keeping records, recording data, and similar activities for which the company's confidential information is used are permitted only where such actions are taken in the direct interests of Würth and third-party rights are not negatively impacted.

The protection of privacy when using personal data and the security of business data must be ensured in all business processes in compliance with applicable statutory requirements. When securing data technically against unauthorized access, a standard equivalent to the state of the art must be adhered to.

In particular, we must exercise caution when collecting and processing personal data. We comply with the applicable data privacy and protection laws and appoint appropriate offices and positions to be responsible for compliance.



Würth South Africa (Pty.) Ltd. in Gauteng, Südafrika

V. IMPLEMENTATION OF THE CODE OF COMPLIANCE

5.1 How do we make decisions?

When we are uncertain about our decisions, we listen to our consciences and talk things over with the appropriate points of contact.

The rules set out in the Code of Compliance provide a guideline for the conduct of Würth Group employees. In specific situations during our day-to-day work, we frequently have to make decisions that are not explicitly described in the Code of Compliance or other Würth Group guidelines. At those times, we can always approach members of the management or the relevant offices whenever there are questions or uncertainties. However, often we can use our common sense and our sense of decency and integrity to guide us by asking ourselves the following questions:

- 1) Does my decision or my action comply with applicable laws?
- 2) Is the decision in line with Würth's established values and rules?
- 3) If my co-workers and family members knew about my decision, would I have a clear conscience?
- 4) If everyone were to make the same kind of decision, could I live with the consequences?
- 5) If my decision appeared in the newspaper tomorrow, could I justify it?

If you can answer "yes" to all of these questions with a clear conscience, your decision or your action is most likely justifiable. If you cannot answer "yes" to all of

the questions, you should not continue with the particular action until you have spoken with your supervisor or one of the contact persons mentioned in this document.

Of course, you can also use these questions to scrutinize your daily routine; just because you did something one way in the past does not mean that this same course of action will always be the right one.

5.2 The duties of our management

Members of management in the Würth Group are role models and should act accordingly. They are available to their staff members for questions, and help employees fulfill their responsibilities and perform their duties.

In the Würth Group, senior management has been set up to be local and liberal, and the responsibility for results has been delegated down through the lower levels of the hierarchy. We follow the motto “The greater the successes, the more freedom and liberty.” Correspondingly, unsuccessful companies or unsuccessful individuals who bear responsibility for results should anticipate that their duties will be transferred in whole or in part to corporate headquarters.

Members of management should lead their staff more by providing friendly assistance and admirable suggestions than by issuing commands and directives. Employees should be motivated as a result of managers’ exemplary conduct and modesty as well as the close contact between managers and employees.

Additional information should be provided to make directives and orders transparent and comprehensible for lower-level employees.

Every member of management must continually underscore the significance of ethical conduct and compliance with guidelines, must explore these as topics, and must encourage them through their leadership style as well as training classes. Employees should be allowed to act on their own responsibility and be given latitude for their actions to the greatest extent possible. Nevertheless, compliance with laws and with Würth guidelines always has top priority under all circumstances. This is especially true as concerns adherence to this Code of Compliance.

Under no circumstances will we sacrifice the good reputation and the integrity associated with the name Würth to short-term interests in profits. We are convinced that this is the way we will be successful over the long term.

Members of management make themselves available to employees as points of contact who can be trusted and who can be approached when employees have uncertainties or questions, or professional or personal issues.

However, this responsibility on the part of managers does not release employees from their own responsibilities. We will be successful only by working together.

5.3 **What should I do if I notice something illegal?**

All employees are urged to report violations of the Code of Compliance or applicable law or other binding rules or regulations. Tips will be handled confidentially.

If you have a legitimate suspicion that someone is violating our Code of Compliance or applicable law or other binding rules or regulations, please let us know. We can

only respond appropriately if we are open about potential violations. This helps us to avoid harm being done to Würth, to our employees, and to our business partners. The first point of contact for tips is your supervisor. However, employees may also approach a compliance officer or senior management with tips at any time.

In addition, the group-wide whistleblower system SpeakUp is available for hints.

Tips will be handled confidentially. The informant must not suffer any disadvantage as a result.

5.4 Potential consequences of a violation

Violations of the Code of Compliance will not be tolerated and may have serious consequences.

Violations of the Code of Compliance or statutory guidelines can result in severe disadvantages for the Würth Group. Würth will not tolerate any violations of laws, the Code of Compliance or internal guidelines. Depending on the severity of the violation, inappropriate conduct can also result in legal consequences for employees under labor, civil, and criminal law.

YOUR POINTS OF CONTACT IN THE WÜRTH GROUP

If you have questions or tips that you are unable to clarify with your supervisor, there are people you can contact, as well as the group-wide whistleblower system SpeakUp.

The first point of contact for questions and tips is your immediate supervisor. Contact persons who deal with specific subjects are available for specific questions that cannot be clarified with your immediate supervisor. If you have questions about the Code of Compliance or compliance in general, local compliance officers as well as the Chief Compliance Officer and his team are at your disposal. Special contact persons may also be appropriate for dealing with special provisions within the Code of Compliance (e.g. data privacy and protection officers, workplace safety officers, customs and international trade officers). The respective Human Resources Department is also a suitable point of contact for personnel issues.

Reports of compliance violations can also be reported via the Group-wide whistleblower system SpeakUp.



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IMPRINT

Published by

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Adolf Würth GmbH & Co. KG
Reinhold-Würth-Straße 12-17
74653 Künzelsau
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1st edition, January 2017
Published in German and English

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Design, production, print

Scanner GmbH Künzelsau

Photo credits

Mario Heinritz (p. 2)
Frank Blümmler (p. 6, S. 7), Marc Lins (p. 14)
Würth Group Archive

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IGFU-SC-04/24

