CODE OF CONDUCT

PILLER BOWERS & COMPRESSORS
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FOREWORD

Piller Blowers & Compressors GmbH (hereinafter referred to as PILLER1) stands for top-quality products, for the spirit of innovation and for successful R&D. With our in-depth expertise and experience, we impress our customers from a wide range of sectors in the process industry – after all, PILLER unites first-class manufacturing expertise, meticulous craftsmanship and the use of high-end machines.

With the motto of “Together more successful”, we develop energy-efficient solutions and unique products for and with our customers. People stand at the core of our philosophy. Whether customers, users, suppliers or employees: we believe that success can only be achieved together. Our stringent quality standards demand effective, qualified and reliable partnerships.

As a globally active company, we are deeply aware of our corporate social responsibility. This code of conduct stipulates the legal and ethical framework to be followed by all employees in the execution of their duties – for each of us, from the management board, subsidiaries and joint ventures to the various supervisory levels and every individual employee. You will find applicable laws, standards and legal risks that are relevant for our company, today and also in the future. For domestic and foreign affiliated subsidiaries and joint ventures in the entire PILLER corporation, this code of conduct describes the minimum requirements that are to be assumed in the same way and supplemented with local requirements and specifics.

All employees are required to observe this code of conduct in their daily work and also ensure third-party compliance.

1 Unless otherwise explicitly stated, this refers to the entire PILLER corporation with all national and international subsidiaries and joint ventures.
1. **LAW-ABIDANCE AND RESPONSIBILITY**

We observe the applicable laws and regulations: All employees in the PILLER corporation are obliged to comply with the applicable laws, regulations and internal directives in their workplace. Violations of the law and infringements of internal directives must be avoided.

PILLER expects all employees to protect and promote the company’s image in public. When making private statements in public, employees must ensure that they do not give the impression that the comments represent the views of the company.

1.1. **EMPLOYMENT LAW**

PILLER observes all employment laws and regulations in the countries in which the corporation is active, and is committed to upholding its employees’ human rights based on dignity and mutual self-respect. PILLER also upholds this with respect to its suppliers and business partners. All services are provided by employees on a voluntary basis and all employees are free to terminate the employment relationship with a reasonable period of notice. PILLER shall not use, operate or tolerate their suppliers’ use of forced labor, including debt bondage, involuntary labor and compulsory labor.

1.1.1. **Child labor**

PILLER will not directly or indirectly employ a person who is considered a “child”. The term "child" means a person who is younger than 15 (or 14 in accordance with the respective federal state law) years old or is under the minimum age for employment in the country, whichever is higher. PILLER also upholds this requirement with respect to its suppliers and business partners.

1.1.2. **Remuneration and social benefits**

Remuneration paid to direct or indirect employees complies with all applicable salary and working hours legislation, including those that govern minimum wages, overtime and statutory benefits. In accordance with local laws and the contractual terms for the respective employee, all employees will receive compensation (monetary or leisure time) for approved overtime. PILLER will only make salary deductions when entitled by law or in accordance with the contract with the respective employee. In accordance with local laws and regulations, PILLER will provide adequate documentation regarding the calculation and payment of the salary and agreed benefits.

1.1.3. **Working hours**

The standard working hours correspond to all local laws and regulations and do not exceed the maximum working hours required by any method of calculation under local law. All employees are entitled to the holidays agreed in their contract, which must comply with local laws and regulations. Working hours for all employees must be defined and monitored in order to avoid unnecessary strain or hardship, which could lead to productivity losses and/or increased likelihood of injury or physical or mental illness.

1.1.4. **Equal treatment precept (nondiscrimination rule)**

PILLER ensures that employees do not experience discrimination of any kind within the workplace. PILLER offers adequate opportunities for people with disabilities and at the least always adheres to local laws and regulations. PILLER complies with all local laws, regulations and rights regarding
maternity and paternity, including parental leave and alternative employment options. PILLER ensures that no employee is discriminated against based on race, color, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, trade union membership or marital status. PILLER employs people based on their performance and abilities and makes appropriate promotions.

1.1.5. Employment protection
PILLER recognizes that providing a healthy and safe workplace is a fundamental factor in achieving its business goals and the quality of the products and services it offers to its customers. PILLER ensures that the following practices are followed and expects the same from its suppliers:

1.1.6. Safety and hygiene in the workplace
PILLER evaluates and monitors risks in the workplace and exposure to hazardous chemicals through the organized control of all health and safety issues (such as health- and/or safety-critical incidents, exposure limits, hazard analyses, preventative maintenance, process and workplace design and employee training). PILLER also ensures that all employees and third parties working within the corporation's facilities are always equipped with the necessary personal protective equipment (PPE).

1.1.7. Emergency response measures
PILLER has prepared action plans and escape and rescue route plans to protect staff and the company before and during emergency situations, such as fire and flood. Safety exercises are conducted regularly to ensure readiness in emergency situations.

1.1.8. Accidents at work and work-related illness
PILLER uses systems and procedures to evaluate and regulate necessary measures concerning the prevention of injury and illness.

1.1.9. Machinery protection
PILLER evaluates all machinery with regard to risk of injury or accident. Shielding, locking devices and appropriate safety precautions are provided at least in accordance with local laws.

1.2. PROTECTION OF THE ENVIRONMENT
PILLER recognizes that it must assume responsibility for the environmental impact of the way in which its business operations are conducted. The company therefore aims to avoid adverse effects on the environment, conserve natural resources and minimize emissions.

These include the following behavioral standards:

1.2.1 Environmental permits and reporting
PILLER fulfills and complies with all requirements concerning approvals, licenses and monitoring at least in accordance with locally applicable standards.

1.2.2 Prevention of environmental pollution and resource-saving
For ethical and financial reasons, PILLER is committed to minimizing and eliminating waste and recycling material as far as possible.
1.2.3 Hazardous substances
Chemicals and other hazardous substances are properly handled, stored and disposed of by PILLER within the framework of a systematic, controlled process or recycled wherever available.

1.2.4 Wastewater and solid waste
Wastewater and solid waste from operations and sanitary facilities are monitored and controlled by PILLER in accordance with local legislation before being drained, discharged or disposed of.

1.2.5 Air emissions
Air emissions from Volatile Organic Chemicals (VOC), Ozone Depleting Chemicals (ODC), aerosols and corrosive substances are monitored and controlled by PILLER in accordance with local legislation before being released.

1.2.6 Restriction of ingredients
PILLER complies with applicable laws and regulations regarding the prohibition, restriction and disposal of specific substances in accordance with the REACH, RoHS and WEEE directives. The avoidance of such substances is also an aim when designing new products.

2. PRODUCT QUALITY AND SAFETY
PILLER products are manufactured under strict compliance with our quality specifications. All employees must strive to attain maximum product safety. In order to achieve this objective, an optimal quality management system and consistent zero-fault strategy are constantly used to ensure further development and avoid mistakes. All legal and internal rules on product safety are to be fully complied with as an expression of our comprehensive product responsibility. Employees must inform the relevant specialist departments immediately of any safety concerns in order to enable the necessary measures to be implemented to protect our customers and employees.

For us and our customers, “MADE BY PILLER” is a quality seal that guides us in our daily work. For our customers, quality means trouble-free assembly, satisfied end customers, no recalls – and therefore a strong brand. Quality is a key factor in the global success of PILLER. Quality management is fully integrated into all business processes. There are corresponding directives for quality planning and controlling that reflect our corporation’s standard. These rules are also communicated directly or in the form of quality assurance agreements to our suppliers.

3. COMPETITION LAW AND ANTITRUST LAW
PILLER pursues its corporate goals in accordance with the rules of free and fair competition. Therefore, compliance with all national and international legal requirements of competition and antitrust laws is a fundamental principle of our actions across all company levels. Employees must not participate in any antitrust-violating behavior.

In specific, this means:
3.1. BEHAVIOR TOWARDS COMPETITORS
Employees may not enter into antitrust agreements with competitors or coordinate their conduct on the market with competitors. The unilateral disclosure of sensitive or strategic information to competitors, such as the disclosure of all types of pricing information (net prices, gross prices, price lists, etc.), price increases, capacity utilization and future R&D plans, may already constitute an antitrust violation. Antitrust law prohibits all restriction of competition, in other words measures that aim to reduce the risks of free and unhindered competition. It prohibits, for instance, price reconciliation, market division (by customer or territory) and market share allocation to individual competitors.

3.2. BEHAVIOR TOWARDS CUSTOMERS AND SUPPLIERS
Similarly, any agreements with customers and suppliers that restrict the competitive freedom of action are prohibited. These include in particular: Restrictions of the freedom of customers to specify delivery conditions or prices. Certain forms of exclusive supply, customer base restrictions, exclusivity, non-competition clauses or usage restrictions may also be prohibited.

3.3. MEMBERSHIP IN ASSOCIATIONS AND PARTICIPATION IN INDUSTRY MEETINGS
Membership in associations and business organizations is often useful and sometimes even essential. Nevertheless, it does involve the risk of violating antitrust regulations. Often, competitors of PILLER are also represented there, which may lead to an antitrust-relevant exchange of market information. The same applies to participation in industry meetings. Employees are only permitted to take part in such events that pursue legitimate purposes. Should there be a prohibited exchange of information between other companies at an event, employees must clearly distance themselves from this by protesting, having their protest recorded and immediately leaving the event in question.

3.4. FOREIGN TRADE
For all international activities, PILLER employees must comply with all rules of foreign trade, tax and customs law of the countries in which PILLER is active. Every employee must observe these control requirements when purchasing, manufacturing or marketing products. In general, export controls not only apply to the supply of goods, but also to the provision of services or technology transfer. All employees that are entrusted with the import and export of goods and other cross-border transactions must adhere to the applicable trade control legislation. In accordance with the applicable regulations, it must always be ensured that any necessary regulatory authorizations are obtained. The War Weapons Control Act must also be observed.

3.5. CORRUPTION PREVENTION
PILLER is committed to high ethical standards in all business transactions. Unfair practices or employees and business partners will not be tolerated.

3.5.1 No acceptance of or granting of unfair advantages to business partners
No unfair advantages may be demanded, accepted, offered or granted. Such advantages are understood to be benefits of any kind to which no claim exists and which objectively improve the economic, legal or personal situation of the beneficiary. In addition to cash payments, these may
include all types of gifts, invitations to events and other privileges in the private sector. Such advantages may also include donations to related third parties, such as spouses, life partners, friends or relatives. An advantage is considered as unfair if, under consideration of all circumstances and facts of the individual case, in particular the reason for accepting or granting an advantage and the personal status of the beneficiary, it is not common or appropriate. This is the case, for example, if an advantage is used to influence business decisions. The acceptance or granting of gifts or similar advantages is permitted provided that they do not exceed €50 and are not considered an unfair advantage. Acceptance or invitations to business meals or events are permitted provided that they are irrefutably business-related and cannot be interpreted as an unfair advantage.

3.5.2 Commissioning third parties and investment decisions
When commissioning third parties, for instance consultants, brokers, sponsors, representatives or other intermediaries who work for PILLER in business transactions, care must be taken to ensure that they do not engage in any unfair business practices. In particular, third parties must not be used by employees to evade the aforementioned regulations.

3.5.3 Behavior towards suppliers
Suppliers are to be selected based on objective considerations such as prices, quality and performance. Relationships with them are based on trust and honesty. Offers are evaluated in a fair, unbiased manner and personal, unobjective reasons are not taken into account in the decision-making process.

3.5.4 Donations and sponsorship activities
Donations and sponsorship activities must be transparent and comprehensible and must not be abused for unlawful purposes. In particular, third parties may not receive any unfair advantage under the guide of donations or sponsorship activities. Any substantial donation requires the approval of the corporation’s executive board.

4. CORRECT REPORTING AND HANDLING OF CASH PAYMENTS
Any form of corporate communications intended for publication must be lawful and adhere to international standards. In particular, annual reports must comply with the principles of proper accounting and financial reporting in order to ensure that data collection and other records are always complete, accurate, up to date and system-compatible. The acceptance of cash payments is prohibited.

5. CONFIDENTIALITY
Business and trade secrets and all other confidential information that employees become aware of through the execution of their duties must be kept secret. Such information must be suitably protected from the view of third parties and non-involved employees. This particularly applies to information about suppliers, customers, employees, business partners and other third parties, as well as to internal company information. The obligation to maintain secrecy also applies after termination of the employment relationship.
6. DATA PROTECTION AND SECURITY
PILLER places utmost importance on the protection of personal data and the right to informational self-determination. The use of personal data in business transactions must ensure the protection of privacy and the security of all business data. Personal data and all business data are protected against unauthorized access through appropriate technical measures. All applicable rules and rights for the collection, storage, processing or transfer of personal data – of employees, customers or other business partners – are observed.

7. CONFLICTS OF INTEREST
The business interests of PILLER and private interests are strictly separate. Situations in which private interests conflict with those of PILLER are to be avoided. Any conflicts of interest arising from the work of an employee in relation to a subsidiary must be disclosed by the employee to the company via the corresponding supervisor. All transactions between PILLER on the one hand and employees and related parties on the other must comply with the common industry standards. Significant business transactions require the approval of the corporation’s executive board. Conflicts of interest may also arise in personnel-related decisions. Decisions in this regard must not be influenced by private interests or personal relationships. No employee may pursue professional activities or secondary activities that conflict with PILLER’s interests. This precludes activities for one of PILLER’s competitors.

8. COMPANY PROPERTY AND FACILITIES
All employees are responsible for the preservation and correct use of company property. Property of PILLER may only be used in a generally customary manner in a private environment and may only be removed from the company space for professional purposes.

9. EMPLOYEE ASSISTANCE
If any issues of interpretation or legal uncertainties exist in connection with this business code of conduct, or in the event that a violation is observed, employees may seek clarification from their supervisor or the corresponding personnel department. Communications from employees will be kept confidential at the request of the employee. All employees are allowed to speak openly with management regarding themselves, working conditions and such matters without fear of reprisal, intimidation or harassment.

Moringen, 01/10/2019

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Dipl.-Wirtsch.-Ing. Christoph Böhnisch

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