



Compliance Management System KUKA Group

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Compliance Management System Fit with Compliance @ KUKA

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1. Introduction

- 1 Responsible management covers sound business practices in a clearly defined context of ethic core values and in compliance with law as well as internal policies. This perception is an integral element of our corporate culture. By establishing and maintaining a *Compliance Program* and its development into a *CMS*, we consequently bring this concept to life.
- 2 In 2007 we broke the ground: after the resolutions by the relevant boards, the program was developed with the help of external expertise. It was crucial to create a *Compliance Program* which would be tailored to KUKA and our business – just like every gear perfectly fits into another to keep the business running, our *KUKA Compliance Program* had to be targeted at providing support to our business, communicating and strengthening our values as well as providing and manifesting reliable policies for our everyday work.
- 3 In 2008 the *Compliance Program* was rolled out within the global organization of KUKA. For the first time our Corporate Compliance Manual was distributed to all employees, complemented by global training and *Compliance Communication*. Today we convey the awareness that Compliance is perpetually present with everything we do. Thus, we create the necessary space to actively shape Compliance, to control and act instead of re-act. Compliant behavior must not only come to the foreground when it is too late.
- 4 We at KUKA understand Compliance as a **Business Enabler**, as a gear which contributes to good business. KUKA as a whole can only act compliant when our measures fit into one another and create business-related policies for our daily working life – and when every single employee is **Fit with Compliance**. *

* Please take a moment to read the following notes:

In the interest of readability we have used the masculine form in the contents of this report. This is to be understood to be gender-neutral. Terms which have been written in *italics* are defined in a Glossary on page 24/25 of this document.



The KUKA *CMS* reflects the principles as set out by IDW AssS 980:

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2. Organizational Structure

- 6 Compliance is part of the functional responsibility of the **Chief Executive Officer** of KUKA Aktiengesellschaft.
- 7 The operational implementation of Compliance has been assigned to the **Chief Compliance Officer**. He centrally manages the *Compliance Program* as a whole; besides the Compliance policies of the Company, this also includes the processes associated therewith, as being delineated in the Corporate Compliance Manual. The Chief Compliance Officer, in addition to the *Compliance Officers*, deals with Compliance enquiries and *Compliance Cases* and also functions as *Compliance Officer* for KUKA Aktiengesellschaft itself.
- 8 The Chief Compliance Officer reports directly to the Executive Board. He periodically involves the Audit Committee of the Supervisory Board and/or the entire Supervisory Board in his reporting, if necessary also in extraordinary meetings.
- 9 The **Compliance Officers** are situated locally with regional responsibility to ensure the implementation of the *Compliance Program* in the respective countries. The scope of work of a *Compliance Officer* is defined by division and geographic situation. The *Compliance Officer* functions as a competent contact in relation to Compliance of the respective division or area, as the case may be.
- 10 **Compliance Contacts** support the role of the *Compliance Officers* in defined countries. These countries are identified from time to time corresponding to the weighting in the *Compliance Risk Map*. The appointment of *Compliance Contacts* creates added value as they speak the native language and are closely involved in the local organizational structure. Thus, the potential distance between employees and *Compliance Officer* is covered. Their primary task is to act as an additional point of contact for enquiries and complaints.



The **Compliance Committee** meets, as a general rule, six times a year. The *Compliance Committee* deals with *Compliance Cases*, identifies needs for adaption of the *CMS* and initiates necessary amendments. The members of the *Compliance Committee* work in different key segments of the *KUKA Group*. This set-up enables the *Compliance Committee* to have access to a broad and deep pool of daily business experiences. Additionally, all *Compliance Officers* and the Head of Corporate Audit attend the meetings of the *Compliance Committee* in a consultative function. Once a year the *Compliance Committee* meets in a two-days workshop to address current topics and to deliberate on changes to the *CMS* to tackle new challenges. 11

The *Compliance Committee* bases its work on **Rules of Procedure**, which have been approved by the Executive Board. Besides the personnel composition and the tasks of the *Compliance Committee*, the Rules of Procedure provide for the procedure of meetings and resolutions, reporting to Executive Board and Supervisory Board as well as the handling of *Compliance Cases*. 12

The Compliance Organization is supported by the function **Compliance Management**. In this department the Compliance work is documented. It also provides the interface between *Compliance Committee* and operational implementation of measures, which is mainly driven by the *Compliance Manager*. This position reports directly to the Chief Compliance Officer.



3. Objective of the Corporate Compliance System

- 13 We promote Compliance responsibility as a crucial factor for our working community by aligning our actions strictly with the relevant law. KUKA recognizes ethical conduct in both business and internal dealings as part of thorough and transparent corporate governance. We create the basis for compliant behavior with regards to the law and our policies by having good knowledge of our *Compliance Program* and actively implementing it.
- 14 It is not sufficient to detect *Compliance Cases* and impose sanctions. In fact the *Compliance Program* creates a reliable and clear system of rules which drive our decisions and processes. We consider it an integral element of our business.
- 15 Our *Compliance Program* is not only about complying with all **relevant laws, rules and regulations**. It also includes our **Core Values and internal Group Policies** and, thus, creates a strong and efficient set of rules, which support our business. Clear and concise wording creates transparent communication and makes it easy to recognize **compliant** behavior in daily business and act accordingly.
- 16 KUKA reaches this goal by implementing realistic, understandable and attainable measures:
- We promote a corporate culture which is characterized with integrity and law-abiding behavior;
 - we establish clear and precise written standards, in particular in our Group Policies and process instructions;
 - we convey these standards via efficient methods of training;
 - we particularly address top management to carry out their role model function;
 - we make sure that the employees can report Compliance enquiries without fear of retaliation;
 - we regularly check the abidance by statutory requirements and internal policies;
 - we regularly validate and refine our *Compliance Program*.



While the business of KUKA is constantly changing, the objective of the *Compliance Program* 17 remains the same. This is not a contradiction but it rather describes the constant and invariable propensity to maintain **compliant, responsible behavior** as the basis for the success of KUKA. Emphasizing this, we speak for all KUKA employees, our customers, our suppliers and business partners as well as for everyone who values KUKA as a company.



4. Risk Identification as a Basis for Effective Action

18 Identifying risks is key for the successful maintenance of a *CMS*. This is the only way to develop and implement risk-oriented and focused measures.

Cartography of Risks

19 With the KUKA *Compliance Risk Map* we have created a **cartography** in which **KUKA specific Compliance risks** have been captured. The *Compliance Risk Map* is a document covering KUKA's global business activities, which has been created in cooperation with the *Compliance Committee*, all *Compliance Officers* and Corporate Audit.

20 Taking into account geographical and cultural circumstances, the risks have been aligned to the following areas:

- Europe
- North America
- Middle and South America
- Asia (China)
- Asia (without China) and Australia

21 For every Compliance risk, measures are allocated and their progress is monitored. The *Compliance Risk Map*, therefore, is a dynamic document, which responds to the constantly changing field of our business.

22 Substantial changes in the corporate environment, the corporate structure itself or in the relevant scopes of application of legal requirements are continuously included in the *Compliance Risk Map*. In addition to that and taking into account newly occurring *Compliance Cases*, the *Compliance Risk Map* is checked for actuality and accuracy. This procedure ensures that the *Compliance Risk Map* is constantly kept up-to-date.

23 Hence, the *Compliance Risk Map* is re-evaluated and revised in the context of the yearly Compliance Workshop. This process is, inter alia, based on newly registered *Compliance Cases*, their causes and consequences as well as on the likeliness of such cases re-occurring. All of these factors are taken into account to define measures and arrangements to foster and ensure compliant behavior in the long term.



5. Control Measures: Systematic and Close to Business

Internal Processes

Corporate Compliance Manual

Availability

The Corporate Compliance Manual is an essential part of the *CMS*. It is also considered as our code of conduct or integrity code for everyone who acts for and/or in the name of KUKA. 24

The Corporate Compliance Manual was first issued in 2008. To adequately respond to the dynamically changing corporate environment, the Corporate Compliance Manual was revised in the years 2011 and 2013; most recently as of April 1, 2016, certain Group Policies were amended or added. 25

Every employee receives the Corporate Compliance Manual when he joins the Company; when substantial changes are made to the Corporate Compliance Manual, the print version is distributed again to all employees worldwide (most recently in 2016). 26

To complement this, the Corporate Compliance Manual can be found in digital form on the Company-wide Intranet site. It is also available to the public and can be accessed via the KUKA internet site. 27

The Manual is currently available in the following languages: German, English, Chinese, French, Italian, Portuguese, Romanian, Spanish, Czech and Hungarian. 28

The translation into a language is made in view of noticeable regional business activities of the *KUKA Group*. 29



Content

- 30 The Corporate Compliance Manual starts with the explanation of the Core Values as foundation for all KUKA business, followed by the explanation of the terms **Compliance** and **Corporate Compliance**. The *Compliance Program* and its objective are also examined thoroughly and possible consequences of a violation are illustrated. The contact details of the **Compliance Officers** complete the introduction.
- 31 The Corporate Compliance Manual for the time being contains **16 Group Policies**, which serve as framework for our business conduct. These are displayed in an easy-to-understand and attractive form: the most important items are highlighted and the content is structured in a useful and clear manner.

Confidentiality

- 32 Being alert and attentive is the foundation for compliant behavior. Only through the alertness of every single employee and authorized representative will KUKA succeed in being compliant.
- 33 All Compliance enquiries are investigated in a thorough and competent manner. Every employee shall be confident that their concerns and questions are dealt with in a strictly confidential way. No employee shall be exposed to retaliation when raising questions or reporting *Compliance Cases*. Needless to say, it is also possible to report a suspected case anonymously.

Extending Compliance to Third Parties

Authorized Representatives

- 34 It is important to us that the name KUKA is associated with sound business conduct, only. This includes not just our employees, but it extends to authorized representatives, such as system partners and sales agents.
- 35 Contracts which govern the cooperation between KUKA and authorized representatives shall contain a Compliance clause. It stipulates that the authorized representative is obliged to comply with all applicable laws and regulations. By signing the contract the authorized representative confirms compliant behavior. Moreover, we do necessary Compliance checks of authorized representatives before the start of the collaboration.



Corporate Transactions

Compliance is a mandatory component of the due diligence process we conduct in the context of every **acquisition of a company**. In this context we examine if the target company has acted in a compliant manner. The basis for this examination is a catalogue of questions which is specific to the kind of transaction and also a standard part of every due diligence investigation. 36

With regards to **joint ventures**, the contracts concluded between the partners contain Compliance clauses, which certify compliant behavior. 37

Top Management

Before someone is appointed to be member of top management, a Compliance check is made. If the result is not satisfactory, the person does not qualify for top management. 38

Documentation

The thorough documentation of all activities in relation to our *CMS* is fundamental for us to be able to regularly evaluate and adjust the program. 39

Compliance Framework

The documentation of the **Compliance framework** in the form of our Corporate Compliance Manual is ensured in different formats. 40

The Corporate Compliance Manual is available in digital form via the Intranet of the Company and accessible for the public on the KUKA internet site. Moreover it is available as print version, which is handed out to every new employee who joins the Company. The electronical as well as the printed copy is distributed by the Compliance organization. Information on the set-up of the Compliance framework can be found in the section “Corporate Compliance Manual” on page 10. 41



Compliance Cases

- 42 The **acceptance** of a *CMS* depends on Compliance being lived up to. Thus, the systematic processing of *Compliance Cases* and measures derived therefrom is crucial. The documentation of *Compliance Cases* is substantial for the continuous evaluation of the program. The *Compliance Cases* put forward to the *Compliance Committee* and/or dealt with by the Chief Compliance Officer are registered in a Company-wide database. A defined standard for the registration ensures that all relevant information for every *Compliance Case* is recorded. This includes, among others, the category of the *Compliance Case*, the status of the investigation and the final decision.
- 43 With this database we maintain a **comprehensive pool of experiences** with which we measure the efficiency of the *CMS* and the need for adjustment may become transparent. The central database also serves as a basis for a consistent approach worldwide in handling *Compliance Cases*; it is accessible by members of the Compliance organization Company-wide (“Need to Know”) and is secured in an appropriate manner.
- 44 Any kind of **consequences** derived from *Compliance Cases* shall be implemented by the corresponding management at short notice, if necessary, and after consulting the *Compliance Committee*, if possible. Measures which are urgently necessary are initiated by the Chief Compliance Officer in cooperation with the responsible *Compliance Officer*.
- 45 The *Compliance Committee* and/or the *Compliance Officers* may make **recommendations on sanctions** to be imposed upon employees and/or authorized representatives; but recommendations with legal effect, such as warning letters, dismissals and terminations shall be made by the *Compliance Committee* only. These recommendations are given to the relevant management, which is operatively responsible for the respective situation and the supervision of the employees.

The implementation of these recommendations is tracked by the Compliance organization. In case it remains outstanding, the management is consulted accordingly. The responsibility respectively authority of the relevant management and/or HR to act independently is not affected by the above.



6. Training and Communication

The primary objective of the *CMS* is to foster compliant conduct. At the same time it can be assumed that not every Compliance violation is done consciously; rather, it is important to proactively avoid violation due to lack of knowledge. It is essential for an efficient *CMS* to make employees and authorized representatives realize and accept their responsibility for their actions and, at the same time, foster the awareness of the Compliance framework. 46

The **combination of individual responsibility and knowledge** leads to responsible employees and authorized representatives who work independently and act in line with the interests of the Company. 47

For this purpose training of employees takes place regularly. As particularly prompted authorized representatives are trained as well. 48

The training of employees starts when they join the Company and is repeated continuously at suitable intervals. When new fields of action or risk are identified, the training content is adjusted accordingly. That is how we make sure the content of trainings always serves the up-to-date needs in Compliance. 49

Methods of Training

To ensure the efficiency and effectiveness of training, it is crucial to offer different methods which correspond to the needs of every employee in their individual working environment. We, therefore, tailor the training methods, content and organization **to target group and working environment**. To respond to these specific needs, KUKA uses different training formats and intervals: 50



E-Learning

- 51 The **E-Learning Corporate Compliance** has been established at KUKA since 2011. It was fully revised in 2016. The participation in this *E-Learning*, which teaches the Compliance foundation of the Company, is pronounced to be mandatory for all employees.
- 52 The computer-aided training polishes Compliance relevant content in an efficient way to reach all employees with an e-mail address. The *E-Learning* connects legal terms with easy-to-understand wording. To foster the acceptance among the employees, the content is prepared in an eye-pleasing and interesting fashion. This is achieved by using different methods of presentation as well as case studies, questions of understanding and active elements. At the end of the program and when having successfully concluded a test, the employee receives his personal certificate.
- 53 Not every employee faces the same Compliance risks; these depend on function and working environment. To respond to this, the content of the *E-Learning Corporate Compliance* is set up in several modules, which each deals with a different topic. At the beginning of the *E-Learning* the employee answers filter questions and according to the answers, their individual *E-Learning* is put together, using only the modules which are relevant for the individual employee. This is how the structure of the program allows for great flexibility and individual training content.
- 54 The *E-Learning* is being made available at least in the languages in which the Corporate Compliance Manual has been issued.

Offline Training

- 55 For employees who have neither access to a computer nor a professional e-mail address, we provide a hardcopy version of the training. It is a condensed form of the *E-Learning* and contains information which is relevant for employees in production-related fields of work. The basis for the offline version is formed by the Core Values of the Company. These are specifically complemented by Compliance topics which are important for the target group.
- 56 The offline training is being made available in the same languages as *the E-Learning*.



Training on Site

When it turns out that there are difficulties of comprehension of the *E-Learning* and/or offline version in individual countries, there is the option to provide training on-site. This kind of training is conducted in the native language by a KUKA internal or an external expert. 57

For employees in key positions it is mandatory to attend target group oriented face-to-face training; this includes, for example, training on competition law for employees in Upper Management and/or Sales. 58

In addition, we conduct training on country relevant Compliance topics in coordination with the responsible *Compliance Officer* and the local management. The *Compliance Risk Map* is of great assistance identifying the specific need for training. 59

Face-to-face training is conducted worldwide by competent employees of KUKA, for example members of the legal department; if necessary, external expertise is drawn upon. 60

Intervals of Training

Every employee is trained when entering the Company as well as periodically via the *E-Learning* Corporate Compliance; this kind of training is characteristic for our *CMS* and, at the same time, connecting KUKA worldwide with a consistent Compliance message. 61

An internal reporting process ensures that all new employees worldwide are registered and receive an invitation to proceed with the *E-Learning*. This procedure lays the foundation for Compliance knowledge and the importance of Compliance is anchored in the employee's understanding of the corporate culture from the very beginning. 62

The *E-Learning* is revised regularly and content is added or adjusted. Thus, it is possible to add single modules or allocate them to a specific group of employees. The participation is pronounced to be mandatory for the relevant group of people. We are flexible in the set-up and the update of training content and it is possible to make changes within reasonable time. Additional technical assist resources may be available by region. 63



Effectiveness

- 64 The effectiveness of the *E-Learning* training method is regularly validated and was last checked in 2013 with the help of a survey. In this context, the acceptance and understanding of our *CMS* are evaluated.

Documentation

- 65 The documentation of trainings is very important to us.
- 66 An employee's participation in the **E-Learning Corporate Compliance** is automatically tracked by a KUKA customized *learning management system* and the status is documented. In the invitation e-mail the employee is informed about the standard term of the *E-Learning*; if he does not conclude the *E-Learning* on time, he receives reminder e-mails. Follow-up, if necessary, to cause completion of the training will continue.
- 67 The **offline version of the E-Learning** contains a certificate of participation, with which the employee confirms that he has done the training. This confirmation is signed by the employee and returned to the Compliance Office, where it is archived.
- 68 The attendance of **face-to-face training** is confirmed by signature. The name of the employee, place and date as well as duration and content of the training are documented.
- 69 The documentation of international trainings is managed by the Compliance Office.

Internal Communication

- 70 The slogan of our *Compliance Communication* is **Vitamin C - Fit with Compliance**. It shows in a vivid manner that Compliance is for the Company what good health is for individuals: it strengthens KUKA and provides the basis for healthy business practices.
- 71 KUKA uses different methods of communication to constantly foster Compliance awareness among the employees.



On the Company-wide Intranet the Compliance organization maintains a central information platform on which up-to-date Compliance information is provided to all employees. Besides all language versions of the Corporate Compliance Manual, different kinds of training presentations can be found there. Moreover, the contact details of the Compliance organization can be retrieved from the Intranet page. 72

To communicate relevant news on Compliance, we choose the means of communication depending on the target group. We communicate changes via news entries on the Intranet, printed material, contributions to the employee magazine and e-mail correspondence to the target groups concerned. 73

By using various means of communication KUKA makes sure the employees remain aware of the topic of Compliance. 74

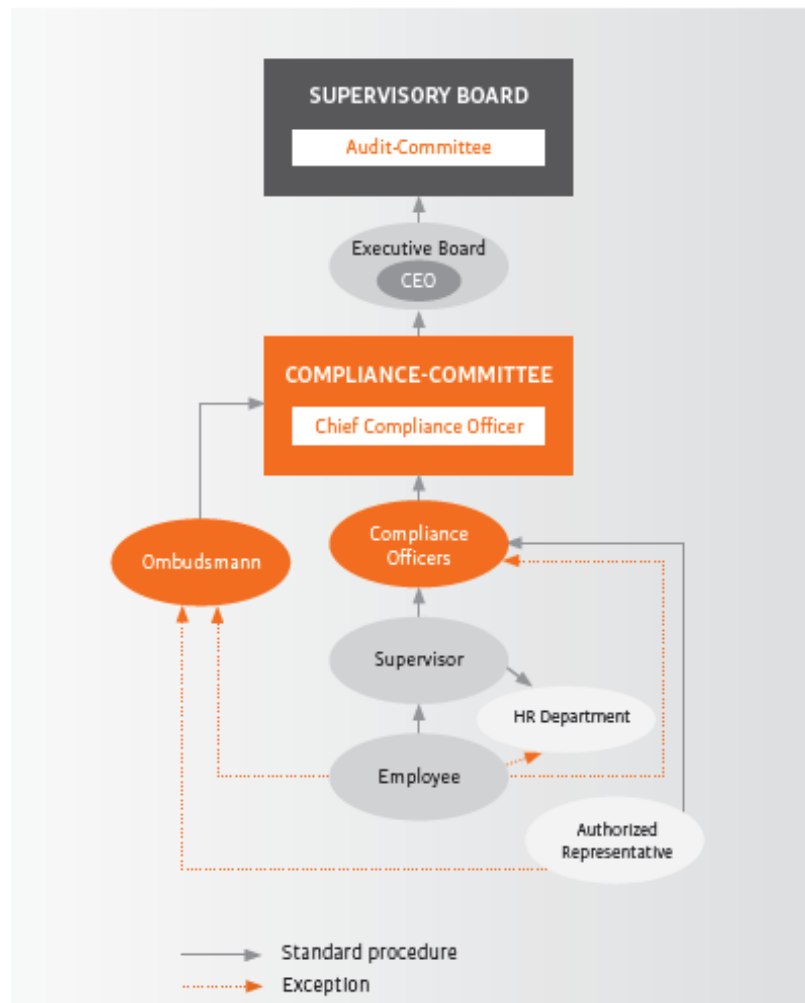
Whistleblower and Reporting Channels

The efficiency of a *CMS* is directly linked to the efficiency of the reporting system implemented. KUKA provides different ways to report both internally and externally potential Compliance concerns or complaints. 75

The reporting person (*whistleblower*) chooses his preferred means of communication according to the reporting channels provided, depending on his preference for a personally known contact person or anonymity. 76



- 77 The **reporting channel** shows different ways of communication. Its set-up is directly linked to the **Compliance organization**, as illustrated by the following graphic:





The first person to contact for an employee always is his **direct supervisor**. He knows the individual activities of the employee best and should be in the position to answer Compliance questions. The supervisor is obliged to report any Compliance problems or cases of suspicion to the HR department. 78

In case the employee cannot or does not want to address the topic with his supervisor, he can directly contact the **responsible Compliance Officer** or the **HR department** and, if the matter cannot be resolved, the latter will forward the Compliance issue to the responsible *Compliance Officer*. 79

The *Compliance Officer* for his part is obliged to contribute any *Compliance Case* of fundamental importance and/or which might prompt action with legal effect to the *Compliance Committee*, possibly in a reporting manner. A matter involving alleged violation of antitrust/competition law or any kind of corruption is always considered to be of fundamental importance. 80

In case the employee wishes to report a matter **anonymously**, he may contact the **Ombudsman**. The *Ombudsman* is a contact person who does not perform a role within the Company; as an external, he is independent from the Company. The Ombudsman will forward the Compliance matter without disclosing the notifying person directly to the Chief Compliance Officer, who will deal with the enquiry involving the *Compliance Committee*. 81

The **whistleblower system** is constantly checked with regards to its efficiency. In any case the possibility to report anonymously must be guaranteed. By publishing the contact details of all *Compliance Officers* and the Ombudsman on the KUKA website, it is also possible for external persons to report complaints. 82



7. Leadership

- 83 The fundamental responsibility to promote compliant behavior and serve as a role model lies with the **management of the Company**. Beginning with the Executive Board, the responsibility includes all levels of management.
- 84 The management of a company lays the foundation for every Compliance organization by making the decision to implement and continuously foster a *CMS*.
- 85 KUKA made this decision in the year 2007. The ongoing development of the *Compliance Program* to become a *CMS* proves the commitment of the management to ethical conduct and integrity in business. The additional establishment of resources strengthens this commitment.

Tone from the Top

- 86 The management communicates the importance of Compliance via the „*Tone from the Top*“. The responsibility lies with the executives of the divisions and continues throughout all management levels. The management is aware of its important role and, thus, directly contributes to the efficiency and effectiveness of the KUKA *CMS*.
- 87 Supervisors act as role models regarding compliant behavior; they put our values into practice. Through clear communication the employees recognize Compliance as a fundamental factor for the success of the Company and conduct business ethically.
- 88 The Compliance organization and other departments support the management in implementing the „*Tone from the Top*“, for example, at town hall meetings and/or with web based video messages to the employees.



8. Monitoring and Audits

Monitoring

The efficiency of the *CMS* is constantly monitored. When responding to a Compliance enquiry, KUKA evaluates the possibilities to avoid such a case in the future and to adjust its *CMS* in a target-oriented way. At the same time we check the implementation of internal processes relevant for Compliance on a random basis (for example, the distribution of the Corporate Compliance Manual to new employees). This assessment can also be conducted incident-related. 89

The legal framework and the regular update of Compliance obligations are monitored to make sure that the *CMS* meets the legal requirements. Additionally the Compliance risks are regularly (re-) evaluated in the course of the review of our *Compliance Risk Map*. Therefrom we derive the need for adjustment of our *CMS*. 90

Audits

The department Corporate Audit is part of the Internal Control System of KUKA Aktiengesellschaft. It has independent authority, on the one hand without any line function and direct right of instruction and, on the other hand, recognized to sole focus on proper conduct; the head of Corporate Audit reports to the CEO. 91

Audits of the Compliance organization are performed in coordination with the Chief Compliance Officer. 92

Furthermore, Corporate Audit may support the Compliance organization in investigating *Compliance Cases* and optimizing the *CMS*. During the audits, Corporate Audit checks adjustments implemented as consequences of a *Compliance Case*. If Corporate Audit in its regular audits detects irregularities related to Compliance, it includes the Chief Compliance Officer in its reportings. In order to ensure the flow of information, the head of Corporate Audit attends the meetings of the *Compliance Committee* as a guest. 93

The creation and regular update of Group Policies are another interface function between Corporate Audit and the Compliance organization. 94



9. Compliance Cases

Processing and Investigation

- 95 The responsibility for the processing of Compliance enquiries lies with the **Compliance Officer** for the relevant division and geographic location; the **Chief Compliance Officer** deals with cases regarding KUKA Aktiengesellschaft and in specific cases also for other divisions, usually with the assistance of the responsible *Compliance Officer*. The **management** of the division where the *Compliance Case* is reported can be involved in the investigation. The *Compliance Officer* and management shall work in a collaborative and trusting manner.
- 96 Whenever necessary, the Chief Compliance Officer may be assisted by **Corporate Audit** in the investigation; due to their audit activity they have broad and deep knowledge of the corporate structure and can investigate in an efficient manner. Corporate Audit also supports with checking measures to avoid future non-complaint conduct. The investigation of a *Compliance Case* involves only persons who are in the position to support in an effective way and contribute to the clarification of the matter.
- 97 The cooperation with the management of the division where a *Compliance Case* is reported takes up the „*Tone from the Top*“. In the context of an investigation the management can position itself accordingly and actively confirm its commitment to compliant behavior.
- 98 The Compliance organization leads the transparent and competent cooperation of several functions and, thus, consciously sets an example for ethical business practices.
- 99 Any person suspected to be in Compliance violation is presumed innocent until evidence is provided which is deemed convincing by the *Compliance Officer* and/or the *Compliance Committee*. Thus, the investigation is conducted in a discrete manner. The suspected persons are to be heard as early as possible.



Reaction

Every *Compliance Case* prompts a **reaction** by the Compliance organization. A *Compliance Case* is not closed before a sustainable result has been achieved as a basis for the definition of the next steps. If considered necessary, the *Compliance Case* including the sanctions is communicated to the group of people involved. In this context we check if our *CMS* needs to be enhanced to avoid any future Compliance violations of that kind.

Laying the Groundwork

Dynamic and innovation – this is what KUKA stands for. The Company operates in a market environment which continuously redefines itself. The ability to recognize trends and exploit opportunities at an early stage as well as the courage to change things is key to our success.

While our business is characterized by constant change, one thing is rock solid and stable: our commitment to **Compliance**. This understanding creates the foundation for sound business practices as basis for the trust of everyone who knows and values KUKA.

In the area of robot-based automatization and increasing digitalization KUKA lays the groundwork for tomorrow. We understand Compliance as **business enabler** and commit ourselves to the task of constantly optimizing and adjusting our *CMS* to provide the best guidelines close to KUKA business.

... And what could be more exciting than creating the basis for the success of KUKA - legally sound, compliant and hand in hand with our business?



10. Glossary

CMS (Compliance Management System)

This term describes all processes and measures as a whole which are established to foster and maintain Compliance.

Company

All legally independent KUKA companies whose majority shareholder is KUKA Aktiengesellschaft are, together with KUKA Aktiengesellschaft itself, gathered under the term Company (also *KUKA Group*).

Compliance Committee

The Compliance Committee is an internal committee which deals with Compliance enquiries and ensures the implementation, adjustment and maintenance of the CMS.

Compliance Contacts

Compliance Contacts support the role of the Compliance Officer in selected countries. They speak the native language and their primary task is to act as an additional point of contact.

Compliance Case

A Compliance Case is a Compliance matter of fundamental importance and/or which might prompt action with legal effect, including but not limited to a matter involving alleged violation of antitrust/competition law or any kind of corruption.

Compliance Communication

Compliance Communication defines the transmission and/or exchange of information within the CMS.

Compliance Manager

The Compliance Manager provides the interface between Compliance Committee and operational implementation of the CMS.

Compliance Officer

The Compliance Officers are situated locally with regional responsibility to ensure the implementation of the CMS in the respective countries.

Compliance Program

The content of our Corporate Compliance Manual is defined as Compliance Program.



Compliance Risk Map

This cartography captures the KUKA specific Compliance risks. It covers KUKA's global business activities and is continuously updated.

E-Learning

E-Learning is a computer-aided training method which uses electronical and digital media to present and efficiently prepare learning content.

KUKA Group

All legally independent KUKA companies whose majority shareholder is KUKA Aktiengesellschaft are, together with KUKA Aktiengesellschaft itself, gathered under the term KUKA Group.

Learning Management System

This term describes the electronical platform the E-Learning is provided on; additionally the training process is coordinated therewith.

Ombudsman

The Ombudsman is a contact person for internal and external persons to report Compliance complaints anonymously. He does not perform a role within the Company; as an external, he is independent from the Company.

Tone from the Top

"Tone from the Top" describes the communication and the engagement the management actively shows to underline the importance of ethical conduct in business. This responsibility lays with the executives of the divisions and continues throughout all levels of management.

Whistleblower

A whistleblower is a person who provides hints on potential Compliance violations by disclosing important information derived from a protected context.