

KUKA



Manual_Corporate Compliance





Manual_Corporate Compliance

Preliminary Notice:

For easier reference we chose to use the word “Employee(s)” in this Manual which generally includes members of the Board of Management as well as managing directors and both the male and female gender.

The term “KUKA” stands for all affiliated companies within the KUKA group.

This English version of the Compliance Manual is a translation of the German original.



Dear Colleagues,

KUKA expects social responsibility not only towards customers and employees but also to stakeholders and the public. It is in the interest of all KUKAnians and shareholders to demonstrate positive behavior and generate positive results for the KUKA Group.

Within the past few years our company has changed considerably with regards to technology as well as corporate structure. We are currently going through a period of alignment. It is our goal to continue to actively shape our market environment and to set new standards in innovation and customer orientation.

But change also requires consistency. Our efforts can only be substantially successful when they are based on compliant behavior. Thus, it is always essential to comply with the applicable laws. It is equally important that we live up to our policies and ethical principles both internally within the KUKA group and in connection with our customers and suppliers.

This is how we create a safe framework for our business and protect and foster the foundation of our corporate commitments: high acceptance among customers, our shareholders' investment, our know-how, and our positive reputation.

We must all understand that Corporate Compliance as an integral element of our self-conception and sustainable corporate governance. Whether you are a member of the board, a manager, an executive, a regular employee or an authorized representative of KUKA globally – as a group, every one of us is responsible to abide by all relevant laws and rules.

KUKA's Core Values along with the 16 Group Policies within the Corporate Compliance Manual provide the guidance necessary to ensure good decisions are made ethically and legally. This is how we ensure that KUKA continues to stand for innovative products as well as sound business behavior. This continues to be the basis for our success.

Augsburg, 1 May, 2019

The Executive Board of KUKA Aktiengesellschaft



Peter Mohnen
CEO



Andreas Pabst
CFO

Index

A. KUKA Corporate Compliance

I. Core Values	06
II. Content of Corporate Compliance	08
III. Significance of Corporate Compliance	08
IV. Objective of KUKA's Corporate Compliance Programms	09
V. Details of KUKA's Corporate Compliance Programms	10
VI. Group Policies	17
VII. Learning the Program	19
VIII. Consequences of a Compliance Breach	21
Annex: Contact Persons	22

B. Group Policies

I. General Rules

1. Principles of Cooperation within the KUKA Group	24
2. Authority to Represent and Sign	28
3. Use of the Legal Department	31
4. Conduct during Official Searches	35

II. Basic Legal Rules

5. Fair Competition	38
6. Antitrust Law	42
7. Foreign Trade and Export Control	48
8. Insider Guideline for KUKA Employees	51

III. Business Transactions

9. Business Transactions	55
10. To Avoid Corruption	58
11. Retention of Advisers	63
12. Cash Transactions, Prevention of Money Laundering	66
13. Third-Party Services	68

IV. Miscellaneous

14. IT-Systems and Data Protection	72
15. Use of Company Equipment	77
16. Health, Occupational and Environmental Safety	80

I. KUKA's Core Values

The following is a list of Core Values which reflect what is truly important to KUKA as an organization. These values are integral to our success and form the foundation on which we conduct business. Our Core Values remain constant – they are unaffected by the trends of the day or changing market conditions and do not vary from time to time or situation to situation. Rather, they serve as the cornerstone of our corporate culture.

These Core Values are the basic elements of how we go about our work at KUKA which we must pursue every day in everything we do.

KUKA is committed to:

1. Complying with all laws and cooperating with investigating authorities.

Complying with the law is mandatory, even if doing so means forgoing an advantageous business opportunity. We will actively assist and respond to official searches. We ensure that the rights and interests of KUKA and its Employees are not compromised.

2. Maintaining a high degree of integrity in its business dealings.

We will vigorously fight all forms of corruption and avoid conflicts of interest and appearances of impropriety.

3. Maintaining a cooperative working environment and the equal treatment of all individuals.

We expect our Employees to show mutual respect for the privacy and dignity of others. Discrimination and harassment of any kind is not tolerated.

4. Transparency in its decision making processes.

We will fully and accurately document our business transactions.

5. The occupational health and safety of its Employees.

We foster and maintain a sense of responsibility for safety, and will actively take measures to identify and eliminate or warn of potential hazards and dangers.

II. Content of Corporate Compliance

Corporate compliance is the manner by which a company complies with established guidelines, regulations, rules and laws. This is the way to prevent risks in order to avoid damages to Employees, customers or other third parties. The primary feature of an effective compliance program is the exercise of due diligence in seeking to prevent, detect and respond to illegal or criminal conducts by Employees and authorized representatives.

Compliance involves:

- Conducting business in a manner that emphasizes ethical and honest behavior.
- Following applicable laws and regulations.
- Effectively managing corporate resources and risks.
- Holding all individuals accountable for their actions.

III. Significance of Corporate Compliance

Abiding by the applicable law and our internal guidelines is an integral part of our corporate governance and business processes. This protects the integrity of KUKA.

Greater scrutiny of corporate behavior by governments worldwide has forced organizations to be proactive in monitoring and, when necessary, correcting the manner in which they do business. Severe civil and criminal penalties have been enacted to deal with corporate wrongdoing which can be catastrophic to the reputation and business of any company. Governments have substantially increased the financial penalties for companies whose employees engage in unlawful conduct even if the conduct was mistakenly intended for the company's benefit. Publicly traded companies such as KUKA find themselves subject to even more stringent governmental requirements.

Unlawful and unethical conduct can result in disastrous consequences to KUKA such as:

- Criminal penalties.
- Fines.
- Civil damages.
- Seizure of profits.
- Cancellation of (or exclusion from) contracts.
- Damage to good will and reputation.
- Termination of business relationships.
- Negative perceptions by shareholders and the public in general.

Not only could there be negative consequences for KUKA, but corporate compliance violations may also entail serious consequences for KUKA Employees under employment law (warning, transfer and termination), civil law (damages) and criminal law (fines, penalties, imprisonment or other criminal sanctions).

IV. Objective of KUKA's Corporate Compliance Program

KUKA strives to act as a responsible corporate citizen in a manner consistent with the requirements of the law. Merely detecting criminal conduct and regulatory violations, after the fact, is insufficient. To be both reliable and effective our Corporate Compliance Program must be an integral element of our daily business decisions and operations. Therefore, the objective of KUKA's Compliance Program is to ensure that, in accordance with our Core Values, KUKA Employees and our authorized representatives are aware of, and comply with, all relevant laws, rules and regulations.

KUKA achieves this by:

- Promoting a corporate culture that encourages ethical conduct and a commitment to comply with the law.
- Establishing clear and concise written standards, Group Policies and procedures designed to prevent, detect and respond to improper conduct.
- Communicating our standards, Group Policies and procedures through appropriate training programs.
- Assigning operational responsibility for the Program to high level Employees.
- Providing a system to handle Employee complaints without fear of retaliation.
- Consistent verification of corporate and Employee compliance with laws and Group Policies.
- Making appropriate modifications to the Program as may be necessary.

V. Details of KUKA's Corporate Compliance Program

A. General

This Manual serves as a general overview of KUKA's Corporate Compliance Program. The basic structure of our Program, contact information and general rules of conduct, cooperation and personal commitment, are explained in this Manual. More detailed rules regarding specific topics may be found in separate Group Policies that have been, or will be, issued by the KUKA Board of Management from time to time.

B. Applicability

KUKA's Compliance Program applies throughout the entire KUKA Group and to each and every member of the Board of Management, executive manager, Employee and, to the extent relevant, authorized representative and other business partners of KUKA world wide. Executive managers shall lead by example and therefore they have to encourage Employees to act responsibly considering the Compliance Program. The Employees in charge of dealing with the authorized representatives have to inform the latter about the Group Policies by delivering to them a copy of the Compliance Manual. Our Group Policies may be, if so warranted, imposed on other business partners in the

scope of the contractual relationship as well.

C. Organization/Responsibilities

1. Chairman, Chief Executive Officer

The overall responsibility for our Compliance Program rests with the Board of Management of KUKA Aktiengesellschaft, who directly reports all compliance matters to the Audit Committee of the KUKA Aktiengesellschaft Supervisory Board. Minding its responsibilities the Board of Management has assigned the various tasks to certain functions.

This includes:

- Taking 'ownership' of the compliance function and having overall responsibility for initiating, coordinating and reviewing KUKA's compliance efforts.
- Monitoring care and attention of compliance matters.
- Identifying resources, support and infrastructure needed to pursue compliance effectively.

The Head of the KUKA AG Legal Department – as a general rule – has been appointed by the CEO as KUKA's Chief Compliance Officer.

2. Chief Compliance Officer

Management, operation and future enhancements of the Compliance Program are the responsibility of the Chief Compliance Officer who has been charged with the duty of overseeing all compliance issues in the KUKA Group.

This includes, among other things:

- Leading KUKA's compliance efforts.
- Consulting and mentoring in compliance matters.
- Supervising KUKA's adherence to the KUKA Core Values.
- Ensuring the distribution of the Compliance Manual to all KUKA Employees and authorized representatives.
- Training KUKA Employees on compliance issues.
- Managing investigations in cases of suspected compliance violations.
- Responding to requests from regulatory authorities.

- Coordinating an annual review of the Compliance Program.
- Monitoring the efficiency of the current compliance-organization (including issuing regular reports) as well as making suggestions for improvements.
- Serving as the Chairman of the KUKA Compliance Committee.

3. Compliance Committee

The primary purpose of the Compliance Committee is to assist the Chief Compliance Officer in developing and enforcing our Compliance Program.

In particular, the Compliance Committee is charged with:

- Reviewing the Program needs based upon history of violations, risks of future violations, regulatory regimes and Group Policies.
- Initiating internal investigations to validate and enhance the Compliance Program.
- Uncovering and closing any gaps in organizational deficiencies in compliance.
- Ensuring a means for Employees to report compliance issues and register complaints.
- Integrating the Compliance Program into other KUKA communications programs and organizational operations.
- Responding to questions and other inputs submitted.
- Conduct training of KUKA Employees and authorized representatives on compliance-issues.

The Compliance Committee will meet at least four times each year, and as many additional times as the Chief Compliance Officer deems necessary.

The Committee shall be comprised of at least the following individuals:

- Chief Compliance Officer of KUKA Aktiengesellschaft (Chairman).
- Head of the Legal Department of KUKA Aktiengesellschaft (if this is not the same person as the Chief Compliance Officer).
- High level Employee of Purchasing.
- High level Employee of Sales.
- High level Employee of R&D or of Production.

4. Compliance Officers

Compliance Officers are responsible for attending to the day to day operation of the Compliance Program within their given and assigned area.

KUKA has appointed the following Compliance Officers:

- Compliance Officer for the Americas (all business segments)
- Compliance Officer for Asia/Pacific (all business segments)
- Compliance Officers for EMEA, divided into the business segments
 - Systems
 - Robotics
 - Logistics Automation and Healthcare
 - Corporate Functions

Each Compliance Officer reports directly to the Chief Compliance Officer.

Compliance Officers have the following responsibilities in their assigned area:

- Respond to individual compliance issues and questions.
- Assess local compliance risks.
- Conduct periodic compliance training.
- Establish communication channels for reporting suspected compliance violations.
- Investigate alleged compliance violations.

The Compliance Officers coordinate matters with the Compliance Committee.

5. Ombudsman

KUKA has appointed an independent Ombudsman (cf. “Annex Contact Persons” to Part A) whom you may contact in extraordinary cases or where you cannot (or do not wish to) communicate your concerns to your supervisor, HR Department or the responsible Compliance Officer.

D. Communication/Your Contacts

In order to effectively communicate your questions or concerns regarding compliance issues you need to know whom you can and should contact. The following communication channels apply.

1. General Rule

As a general rule you should always first address your concern to your supervisor. Your supervisor knows your area of activity best and should be able to answer your questions regarding compliance issues while illustrating the required conduct by using practical examples from your work. Supervisors are required to report compliance issues or compliance violations to the HR Department.

Should you have any questions or wish to report something that you cannot (or do not wish to) communicate to your supervisor, or if the involvement of your supervisor would appear to be ineffective, impracticable or inappropriate, please contact either your HR Department or your Compliance Officer. HR Departments are required to report compliance issues or compliance violations to the responsible Compliance Officer. The Compliance Officer is required to report compliance issues or compliance violations to the Compliance Committee.

The names and contact details of the current Compliance Officers are set forth in this Manual in "Annex Contact Persons" to Part A.

2. Ombudsmann

You may also contact the Ombudsman regarding your questions, doubts or suspicions about compliance. However, this should only occur in exceptional cases, as any concerns and compliance issues should be, in the first instance, resolved at your local Company level. Usually questions regarding compliance issues can be dealt with much faster and in a more straightforward manner in direct discussions with your supervisor, HR Department or your Compliance Officer, since they are the most familiar with the day-to-day business in your area. Therefore, carefully consider whether it is really necessary to contact the Ombudsman directly rather than your supervisor, HR Department or your Compliance Officer.

You may also make an appointment for a personal or telephone discussion with the Ombudsman. We would ask you to please state the reason for your request when making the appointment. However, before you speak to him, it would be expedient and advisable to provide information that is as precise as possible, so that he can deal with your concern in the most efficient manner when you meet. If you so request, the Ombudsman will not disclose that you have contacted him about your

concerns. In fact, as an attorney-at-law, the Ombudsman is under a professional obligation of secrecy.

If the Ombudsman confirms your suspicion that the Group Policies in our Compliance Program have in fact been violated, he will pass this information on to the Compliance Committee without disclosing your identity. The Compliance Committee will initiate an investigation of each case reported by the Ombudsman.

The name and contact details of the current Ombudsman is set forth in this Manual in “Annex Contact Persons” to Part A.

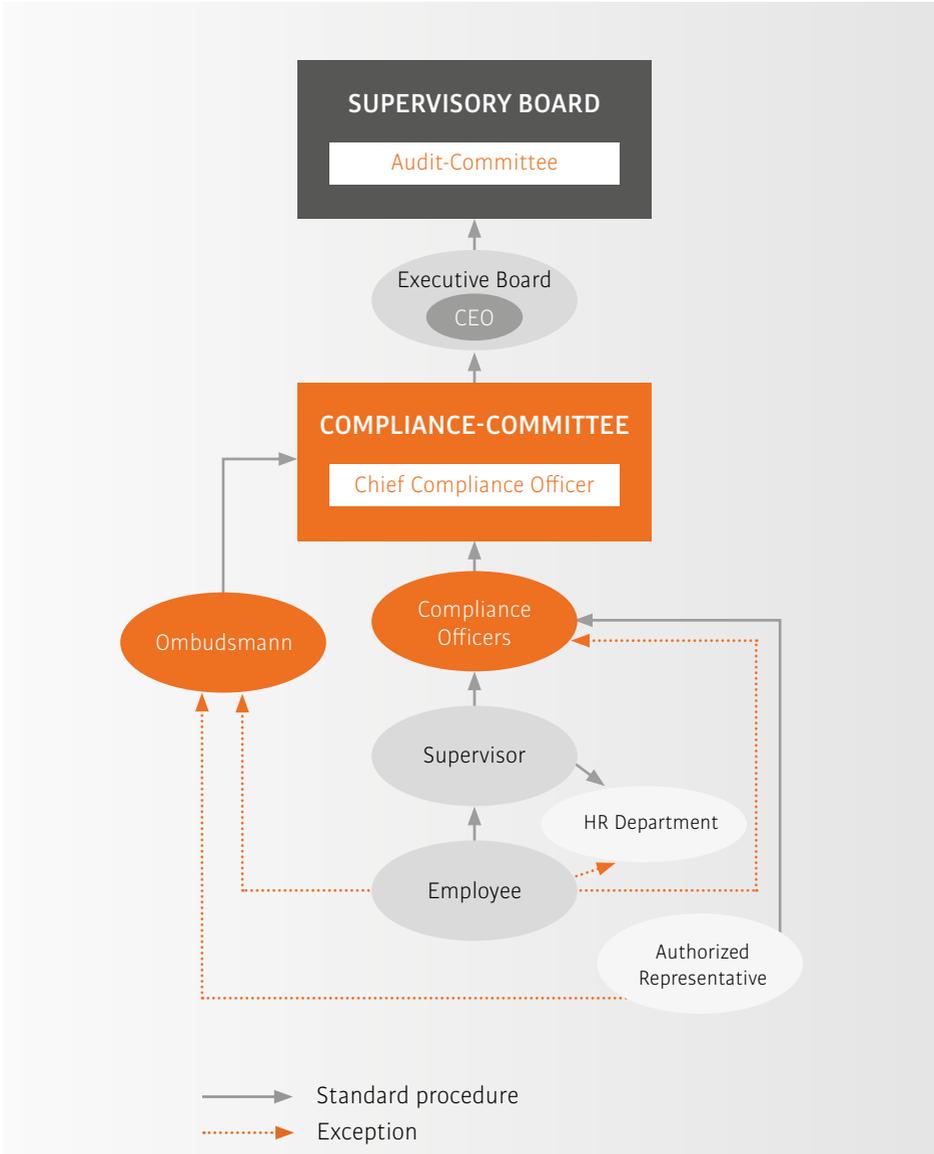
3. Professional, technical and legal questions

It is impossible for any one person to be aware of all the professional, technical and legal aspects that affect their work. That is why KUKA has established various departments that possess expertise and knowledge of specific laws, rules and regulations (e.g. IT, Export Control, Occupational Health and Safety, Purchasing, Legal, etc.). Should you have any questions relating to professional or technical issues, you may contact these KUKA experts directly.

4. Confidentiality

You can be assured that any compliance questions or concerns you have will be reviewed and discussed with you. All issues you raise will be held strictly confidential. At no time will any KUKA Employee suffer any disadvantage for raising compliance questions or suspicions. Compliance questions or issues can, of course, be forwarded anonymously by KUKA Employees.

5. Reporting channels



The current Chief Compliance Officer, individual Compliance Officers and Ombudsman are set forth in this Manual in “Annex Contact Persons” to Part A.

VI. Group Policies

KUKA Group Policies are periodically issued by the Board of Management of KUKA AG to specifically address how Employees should conduct themselves in specific situations and with respect to particular laws and issues. Each Group Policy focuses on compliance with applicable laws on a specific topic. Every Group Policy is an integral part of the KUKA Compliance Program and applies to all KUKA Employees worldwide. Remember, Group Policies do not address all laws and all circumstances. When in doubt ask for direction from your supervisor, HR Department, Compliance Officer or the Legal Department. A brief summary of each Group Policy set forth in Part B of this Manual is given below. These Group Policies will be updated in regular intervals. The Group Policies included in this Manual do not comprise all policies which are in force within the KUKA Group. For all Group Policies as being in effect from time to time please check the KUKA intranet under:

<http://www.mykuka.com/en-us/corporatecompliance/>

1. Cooperation within the KUKA Group

KUKA encourages a corporate culture of support, respect, fairness, privacy, professionalism, and loyalty which are indispensable for a good working environment. Discrimination and harassment of any kind is not tolerated.

2. Authority to Represent and Sign

KUKA uses the 'two-signature' principle. Two authorized individuals must sign or otherwise agree with every corporate transaction.

3. Use of Legal Department

The KUKA Legal Department must be consulted prior to entering certain transactions. Employees are also encouraged to use the Legal Department if they are unsure of exact legal requirements to meet as part of their job function.

4. Conduct during Official Searches

KUKA cooperates with authorities conducting official searches. All such efforts are co-ordinated by the KUKA Legal Department.

5. Fair Competition

KUKA prohibits violations of fair competition laws via, for instance, dishonest, misleading or false advertising.

6. Antitrust Law (Cartel Agreements, Price Fixing)

KUKA is committed to free competition in the markets and therefore rejects any business behavior which is intended to achieve economic benefit via unfair competition or by way of unlawful anti-competitive agreements.

7. Foreign Trade and Export Controls

KUKA observes all the laws and regulations governing export, import, foreign trades as well as war weapons control.

8. Insider Guideline for KUKA Employees

KUKA Employees abide by all prohibitions on insider trading.

9. Business Transactions

KUKA Employees and authorized representatives are mindful of their duty to diligently take care of KUKA's assets. They must avoid conflicts of interest.

10. To Avoid Corruption

KUKA Employees must not engage in any form of corrupt behavior and are prohibited from improperly influencing decision-makers by offering, promising or granting benefits or advantages. Likewise, KUKA Employees are prohibited from demanding benefits or accepting promises or benefits in their business dealings with third parties.

11. Retention of Advisers

KUKA selects its advisers and intermediaries carefully to avoid: (i) unnecessary dependency; (ii) corrupt behavior; and (iii) improper or excessive remuneration. When retaining advisers or intermediaries, KUKA maintains a high level of transparency through detailed documentation.

12. Cash Transactions / Prevention of Money Laundering

KUKA complies with all statutory provisions that prohibit money laundering and limits the use of cash transactions.

13. Third-party Services

KUKA complies with all tax and social security provisions in obtaining work and services from third parties. KUKA does not use contractors whose self-employment is only fictitious.

14. IT systems and Data Protection

KUKA exercises due care in the handling of its corporate data as well as the data of its customers, suppliers, and protects all such data from unauthorized use.

15. Use of Company Equipment

KUKA Employees must treat Company equipment with due care and protect such equipment from loss, theft and misuse. As a general rule, Company equipment may only be used for work purposes.

16. Health, Occupational and Environmental Safety

KUKA strives to provide a safe, healthy and hazard-free working environment and complies with all safety and health laws and regulations.

VII. Learning the Program

A. Corporate Compliance – A Constant Challenge for Every KUKA Employee

The success of our Compliance Program hinges on this Manual and the Group Policies not only being read but their contents and messages being understood and implemented into your daily work. This requires you to give careful thought to the content of our Program. You must understand which rules of conduct are relevant, or may become relevant in the future, in your specific area of work.

In most cases, your own good judgment and common sense will assist you in assessing your own conduct as to whether it is consistent with (or contrary to) our Compliance Program. You are encouraged to contact your supervisor, HR Department or Compliance Officer whenever you have questions or doubts as to what constitutes proper or improper conduct.

Discussing and the sharing of information at your place of work is indispensable. While team spirit and cooperation are vital components of our Compliance Program, they must not be misunderstood. If an Employee believes that a colleague has broken the law or has acted in a manner inconsistent with our Compliance Program he shall notify the competent people within the Company accordingly. In the event of severe Compliance problems or violations an Employee failing to communicate this suspicion without undue delay will itself be considered a compliance violation. Authorized representatives

and supervisors shall, however, report without undue delay each and every suspicion of violation of a law or any rules of the Compliance Program. Employees are expected to keep themselves apprised via the Intranet of developments of the Program.

B. Training

The Compliance Committee conducts regular training sessions on corporate compliance and individual topics. These training sessions are intended to educate Employees on what is considered proper and improper conduct. Refresher courses are provided in order to consolidate and deepen the knowledge and skills acquired. Periodically you will receive material appropriate for your position at KUKA.

Employee participation in such training sessions, as being absolutely vital to the effectiveness of our Program, is compulsory.

C. Permanent Enhancement

The Compliance Program is permanently enhanced. In the event of new laws or changes in the Company, amendments or revised versions of the Manual will enter into effect.

The updated information relating to our Compliance Program, e.g. Group Policies, can be retrieved from the KUKA Intranet under:

<http://www.mykuka.com/en-us/corporatecompliance/>

VIII. Consequences of a Compliance Breach

Violations of our Compliance Program can be far reaching to both KUKA and our Employees and authorized representatives. Every breach can lead to consequences in civil, criminal and employment law.

Depending on the type and severity of the breach, the Employee involved may receive a notice or a warning letter and/or can be transferred to another workplace. Where the breach is serious, employment may be terminated with immediate effect.

In the event of non-observance of our compliance requirements the contractual relationship with authorized representatives may be terminated.

KUKA reserves the right to assert damages against Employees or authorized representatives for any losses KUKA incurs as a result of their misconduct. In addition to consequences under employment and contract law, misconduct may also result in criminal charges being prosecuted by the authorities with potential penalties ranging from fines to imprisonment. KUKA reserves the right to lodge a criminal complaint against the offending Employee or authorized representative.

Court proceedings in connection with compliance issues usually take several years and are costly. In the interest of KUKA and, indeed, your own best interest, do not let a compliance matter progress to the stage that one of the above measures needs to be taken. If in doubt, or if you have questions or suspicions, please immediately contact your supervisor, HR Department, Compliance Officer, as the case may be, or, in exceptional cases, the Ombudsman. Your active, and early, participation will enable KUKA to find a solution to your concern which will avoid serious consequences such as loss of job, termination of contract, obligation to pay damages or criminal prosecution.

Annex: Contact Persons

(As of May 1, 2019)

Chief Compliance Officer

Marcus Gebert

KUKA Aktiengesellschaft
Zugspitzstrasse 140
86165 Augsburg, Germany
+49 821 797-5295

marcus.gebert@kuka.com

Ombudsman

Contact person independent from the company; if so requested, anonymity of notifying person would be respected.)

Volker H. Hoffmann

Law firm Hoffmann & Partner
Hechtsheimer Strasse 35
55131 Mainz, Germany
+49 6131 9334-0 (landline)
+49 160 93594621 (24h availability)

kanzlei@hoffmannpartner.de

Compliance Officer for **Systems** business segment EMEA

Klaus Konsek

KUKA Systems GmbH
Bluecherstrasse 144
86165 Augsburg, Germany
+49 821 797-2572

klaus.konsek@kuka.com

Compliance Officer for **Robotics** business segment EMEA

Abdullah Cevik

KUKA Deutschland GmbH
Zugspitzstrasse 140
86165 Augsburg, Germany
+49 821 797-1226

abdullah.cevik@kuka.com

Gerhard Moser

KUKA Industries GmbH & Co. KG
Walter-Reis-Strasse 1
63785 Obernburg, Germany
+49 6022 503-136

gerhard.moser@kuka.com

Compliance Officer for **Logistics Automation and Healthcare** business segments EMEA

Andreas Kueffer
Swisslog AG
Webereiweg 3
5033 Buchs, Switzerland
+41 79 296 27 59
andreas.kueffer@swisslog.com

Compliance Officer for **Corporate Functions** EMEA

Michael Otto
KUKA Deutschland GmbH
Zugspitzstrasse 140
86165 Augsburg, Germany
+49 821 797-2584
michael.otto@kuka.com

Compliance Officer **Americas** (all business segments)

Jenny Husby
KUKA US Holdings Company LLC
6600 Center Drive
Sterling Heights, Michigan 48312, USA
+1 586 795 1103
jenny.husby@kuka.com

Compliance Officer **Asia / Pacific** (all business segments)

Edwin Wesdorp
KUKA Robotics (China) Co. Ltd.
3rd floor, No. 889, Kungang Road
Xiaokunshan Town, Songjiang District
201614 Shanghai, China
+86 2157 072 682
edwin.wesdorp@kuka.com

1. Group Policy

Principles of Cooperation within the KUKA Group

As amended on April 1, 2016

KUKA places great importance on good cooperation, mutual courtesy, fairness, and respect for the privacy and dignity of others all of which are indispensable to a good working environment.

I. Principles of Good Cooperation

A good working climate is indispensable to KUKA's success. Loyalty, mutual assistance, respect, appreciation, openness, and fairness are hallmarks of KUKA's work ethic. Employees can, and must, contribute to a good working climate by observing the following 6 principles of good cooperation and by implementing such principles in their daily dealings with customers, suppliers, and other Employees.

1. Collaboration and Cooperation

- Employees are always happy to help and can in turn rely on receiving support from their colleagues whenever needed.

2. Professionalism

- Tasks are tackled and solved in a target-oriented manner, while always striving to achieve the best possible solution.
- The quality of KUKA's work is always of the highest standard.

3. Diversity and Appreciation

- The diversity of KUKA's staff contributes significantly to the KUKA corporate culture and a good working climate.
- Characterized by the diversity of our Employees, KUKA's corporate culture is based on appreciation. Differences in religious beliefs and sexual identity or ideology, are treated with understanding and respect.
- Discrimination is fundamentally opposed to KUKA's Core Values and is therefore prohibited.

4. Respect

- KUKA Employees must respect and treat others as they wish to be treated.

5. Fairness

- Principles of fairness have to be observed and complied with.

6. Honesty

- Honesty and integrity contribute significantly to a positive corporate culture, create a climate of trust and helps to avoid misunderstandings.
- KUKA expects its Employees to regularly provide colleagues with open, honest and constructive feedback.

II. Equal Treatment

KUKA's good working climate is particularly based on the equal treatment of our Employees. Any form of discrimination, whether in relation to other KUKA Employees or third parties, is strictly prohibited at KUKA.

Specifically, KUKA prohibits discrimination based on:

- Race or ethnic origin.
- Gender.
- Religion or religious belief.
- Physical and mental disability.
- Age.
- Sexual identity/orientation.

III. Harassment and Bullying

Sexual harassment and insulting, offensive or aggressive comments towards others is not tolerated at KUKA.

- KUKA Employees must not perform unwanted sexual acts or demand any such acts to be performed.
- Any physical contact of a sexual nature, sexual innuendo as well as the unwanted showing or visible displays of pornographic or similar images is prohibited.
- The privacy and dignity of others must be respected at all times.
- Making fun of or denigrating others, whether to their face or behind their back, is not allowed.
- Any type of harassment (i.e. any intended or willful annoyance or discrimination) is prohibited.

IV. Complaints

If you feel that you have been the subject of unlawful behavior, you are encouraged to lodge a complaint with the Human Resources Department. In Germany your Human Resources Department has also been designated to receive your complaints based on violations of the General Equal Treatment law. Lodging a complaint for unlawful or prohibited behavior is your right. Such complaints will be treated confidentially and investigated. No retaliation will occur if you file a complaint.

2. Group Policy

Authority to Represent and Sign

As amended on April 1, 2011

Every day, numerous contracts and other legally binding agreements are concluded as part of KUKA's business operations. KUKA places great importance on following the correct procedures whenever we enter into such transactions. Authority to 'sign' on behalf of a KUKA Company is based either on the corporate Articles of Association, a resolution issued by the Board of Directors of the Company or by the granting of a power of attorney.

These forms of representation differ both in terms of the rules as to their establishment as well as the scope of the powers of representation granted. Irrespective of the form of representation, the KUKA 2-signature rule applies to every corporate transaction.

I. The 2-Signature Rule

The responsibility for legal transactions at KUKA should not be shouldered by any single individual alone. The 2-signature principle states that no individual is permitted to solely represent KUKA in any legal transaction.

When entering into a legal transaction, the following rules apply:

- The representation of KUKA by any single individual is not permitted.
- Members of the Board Management or Managing Directors may only enter into a legal transaction if they are joined by at least one other Board member, Managing Director or a commercial Attorney-in-Fact.
- Legal transactions not involving the Board of Management or Managing Directors must be signed by two authorized individuals.

II. Company Policies

Each KUKA Company must establish an internal policy/procedure that ensures compliance with the KUKA 2-signature rule. This policy shall identify who is 'authorized' to sign on behalf of the relevant KUKA Company and under what circumstances.

III. Bank Accounts

There are special rules concerning bank accounts which have to be complied with.

IV. Dealing with Third Parties

All Employees and authorized representatives of KUKA must comply with the following general guidelines when dealing with third parties:

- Employees and authorized representatives of KUKA must always disclose that they are not acting in their own name but in the name of the relevant KUKA Company.
- In written business correspondence, stationery of the relevant KUKA Company must be used.
- E-mail communications must contain information identifying the relevant KUKA Company.
- With regard to telephone discussions that are of legal relevance, it must be ensured that the other party has notice of your intention to act on behalf of the relevant KUKA Company.

3. Group Policy

Use of the Legal Department

As amended on April 1, 2011

As a multi-national publicly traded company, KUKA is subject to numerous laws, rules, statutes and regulations. Compliance with these laws is imperative to KUKA's successful operations. Failure to comply could be disastrous to KUKA in terms of fines, penalties, cancellation of contracts and loss of good will.

As a KUKA Employee you are expected to comply with all applicable laws in the execution of your work. KUKA has established and maintains a Legal Department with 'in-house' attorneys-at-law that have the necessary training and experience to provide you with the information you need to comply with the laws that affect your job.

This Group Policy is designed to provide a guideline on how and when you should contact the KUKA Legal Department for assistance.

I. General Rule

All Employees are expected to know what laws affect their work activities and to follow those laws in all circumstances. If you are not sure which laws apply to you, first ask your supervisor. If he or she is unable to provide an answer, or a question still remains, you should contact the KUKA Legal Department who will then provide the information and guidance you need.

II. Circumstances Requiring Legal Review

There are a number of corporate transactions which, by necessity, have to be reviewed by the KUKA Legal Department. These matters are either of such great importance, or involve such complicated issues, that the Legal Department must be consulted. Involving the Legal Department in such matters at an early stage will protect KUKA and its Employees and reduce our corporate risks.

Therefore, if you are aware of, or involved in, any of the following situations you must contact the KUKA Legal Department for consultation and advice.

- Changes in the legal organizational structure of any KUKA Company.
- Acquisition or purchase of interest in any third party.
- Finance and capital market transactions.
- Partnership, joint development or cooperation agreements with a third party.
- Purchase, sale, lease, mortgage or similar rights with respect to real estate and buildings.
- Any service agreement other than a standard employer/employee agreement.
- Any non standard commitment with an Employee.
- Granting or revoking powers of attorney.
- The purchase, lease, grant or assignment of intellectual property rights (licenses, patents, trademarks, copyrights and know-how).
- Significant warranty or damage claims.

- Insurance matters.
- Whenever the other side of a transaction is represented by an attorney.

III. Special Circumstances Requiring Legal Management

There are some corporate transactions that must be managed and controlled by the KUKA Legal Department. These matters involve critical legal issues that require the Legal Department be responsible for handling.

Therefore, if you are aware of, or involved in, any of the following situations you must contact and turn over the matter to the KUKA Legal Department for management and completion.

- Commencement, dismissal or settlement of legal proceedings, lawsuits, arbitrations, mediations, or arbitrations.
- Investigations by governmental authorities (including summons, subpoenas, warrants or searches).
- Corporate acts such as amendment of Articles of Association or Bylaws, appointments and resignations of Officers and Directors, or commercial register filings.

IV. Timing

The KUKA Legal Department can only provide effective assistance if it becomes involved in an issue in a timely fashion. Sending a signed agreement to Legal 'after the fact' (or a draft after all negotiations have been completed) is unacceptable. To reduce KUKA's corporate risks and assure that our transactions comply with all legal requirements, you should involve the KUKA Legal Department as early as possible.

V. Contact with other Attorneys

Only the KUKA Legal Department is authorized to:

- Retain outside legal counsel and instruct such retained counsel on their legal assignments.
- Contact the legal counsel and legal departments of third parties.

4. Group Policy

Conduct during Official Searches

As amended on April 1, 2011

Government agencies and other authorities have extensive powers of investigation, usually including the right to search company premises as well as the private homes of certain Employees and representatives. Even the mere suspicion that an offense has been committed may be sufficient grounds for such a search. The fact that such a search has been conducted may have serious adverse effects for KUKA. The proper behavior of our Employees during and after a search is crucial to avoid excessive and unnecessary disadvantages for both KUKA and our Employees.

This Group Policy is intended to provide a guideline for KUKA Employees as to the proper behavior during searches and applies to all searches carried out by any investigating authority.

I. General

Any search of KUKA must be treated as a critical situation.

For purposes of this Policy, 'searches' include:

- Authorities visiting KUKA unannounced.
- Subpoenas issued to Employees or a KUKA Company.
- Search warrants.
- Confiscation or seizure of documents.
- Examination of Employees.

Investigators may appear without warning and as a total surprise. Such a situation must be handled in a manner that most effectively safeguards the interests of both KUKA and our Employees.

II. Procedure

In the event of any search at KUKA, the Head of KUKA Aktiengesellschaft's Legal Department or one of his legal staff members must be notified immediately. This will ensure that the correct procedure is complied with. Other Employees may be requested to assist and provide necessary support. Employees are required to comply with the instructions given by the Head of KUKA Aktiengesellschaft's Legal Department or other Legal Department staff members.

If the Head of KUKA Aktiengesellschaft's Legal Department or one of the Legal staff cannot be reached, the Managing Directors of the Group Company directly affected by the search will assume the function of coordinating KUKA's response until the Head of KUKA Aktiengesellschaft's Legal Department (or a member of the Legal staff) can be reached. If a Managing Director of the Group Company is unavailable, the highest ranking officer of the local Company affected by the search must be notified.

III. Rules of Conduct

The KUKA Legal Department will manage KUKA's response to the search and (if needed in cooperation with external lawyers) ensure that the rights and interests of both KUKA and its Employees are safeguarded.

Until such time that specific instructions are provided by the Legal Department, Employees who have been confronted with a request for a search should:

- Bring the officials into a separate room (if possible an empty meeting room) and ask the officials to wait until a member of the Legal Department or a person listed above arrives.
- Ask to see the identity card of the official in charge of the investigation and ask for permission to photocopy it.
- Ask to see the judicial search warrant (if one exists), and make a photocopy of it.
- Refuse to answer any questions regarding the investigation (or provide any documents) until specifically advised to do so by the Legal Department.
- Generally endeavour to create a courteous and cooperative atmosphere.

If the search is a written document that has been 'served' on or mailed to the Company it must be immediately provided to the Legal Department.

In exceptional cases, an official may insist on being given immediate access to the business premises. It may also be that the official prohibits any kind of (telephone) communication by you. In this case, point out that you are under instructions not to let anybody enter Company premises without notifying, and checking with the Legal Department. Should the official prohibit you from notifying the Legal Department, the Board of Management or the Managing Directors of your Group Company then insist on immediately notifying an external lawyer. This request cannot be refused.

If the official insists that you are required to give a testimony you should request that such examination be put off until an attorney-at-law is present. You have the right to consult with an attorney-at-law before and during the examination. This request can not be refused.

5. Group Policy

Fair Competition

As amended on April 1, 2011

KUKA is fully and unconditionally committed to fair competition. We compete in the market solely on the basis of the good value and quality of our innovative products and services. Compliance with all the laws and regulations with regard to the prohibition of unfair competition is an integral part of our corporate policy.

Unfairly competing in the marketplace damages KUKA's public image and results in significant financial consequences. We therefore expect all our Employees and authorized representatives to adhere to the principles of fair competition at all times.

I. Basic Principles

KUKA strives to be fair in all of its business transactions and will not take any unlawful advantage over our customers, suppliers or competitors. Therefore, incorrect statements to customers or other persons about KUKA, its products and services (in whatever form) must be avoided.

1. Prohibited activities

The concept of fair competition must prevail in all our business activities. Therefore, KUKA will avoid:

- Making false, slanderous, defamatory or disparaging remarks regarding the products, services and/or activities of employees of customers or competitors.
- Imitating products or services of a competitor if based on the exploitation of illegally obtained know-how or documents unlawfully obtained.
- The targeted obstruction of competitors.

2. Transparency and Accuracy

Promotional statements, marketing materials and all forms of advertising must be complete, accurate and able to be clearly understood.

Therefore:

- Key information may not be withheld or omitted from KUKA promotional material.
- Published performance specifications and features of our products and services must be both accurate and verifiable.
- Value judgments such as ‘the best’ should be avoided since no product or service is in every regard, and for all potential buyers, superior to all other products.
- Published information must be transparent and accurate. Price information must be complete, understandable, and calculable.
- KUKA press releases must not create the impression that they are independent journalistic contributions and must clearly identify KUKA as the author.

3. Comparative Advertising

Comparative advertising is a particularly effective tool for prejudicing a competitor. Comparative advertising that may have a misleading or defamatory effect is strictly prohibited.

Therefore, the following principles apply:

- Only products or services that are in fact comparable may be compared.
- All comparisons must be verifiable.
- Value judgments made by third parties may not be used.
- If a third-party test report is used, KUKA must identify the source.
- Disparaging remarks about competitive products must be avoided.

4. Mutual Respect

Omit harassing behavior.

This means:

- Do not transmit messages to customers or competitors that disguise or conceal the sender's identity.
- Do not place phone calls or send e-mails or unsolicited promotional letters to customers who have indicated a desire to not receive such promotional materials.

II. Intellectual/Industrial Property Rights

KUKA owns many copyrights, patents, trademarks, know-how and other confidential and protected information. These corporate assets form a material part of KUKA's goodwill and are indispensable to our future business success. This proprietary information must therefore not be disclosed without approval of senior management of a KUKA Group Company and then only if proper measures for protection of such information are in place.

Similarly, KUKA respects the proprietary rights of its competitors. KUKA Employees are therefore not permitted:

- To use trademarks, patents, or other copyrighted information of competitors or third parties without the beneficial owner's prior consent.
- To attempt to obtain or use confidential information about competitors, third parties or their products, unless the competitor or third party has agreed to this in a legally binding manner.
- To copy or use any copyrighted documents without the express prior consent of (or license from) the rightful owner.

6. Group Policy

Antitrust Law

As amended on April 1, 2011

Compliance with antitrust laws is an integral part of KUKA corporate policy.

We comply with all antitrust requirements and restrictions and do not tolerate participation in agreements or any other practices that infringe any antitrust law.

I. Objective of Antitrust Law

Antitrust (competition) laws vary from country to country but generally have three main elements:

- Prohibiting agreements or practices that restrict free trade and competition.
- Banning abusive behavior by a company dominating a market, or anti-competitive practices that tend to lead to a dominant position.
- Supervising corporate mergers and acquisitions of large corporations, including some joint ventures.

Antitrust law promotes a system of free, effective, fair, and undistorted competition and intervenes where the behavior of a company distorts, restricts or eliminates competition.

II. Dealing with Competitors

1. Basic principles for dealing with competitors

Sometimes, competitors need to collaborate. Certain types of agreements, however, are so likely to harm competition that they are deemed illegal. All other agreements are evaluated on a case by case basis which involves a factual inquiry into the agreement's overall competitive effect.

As a rule, a company is free to choose how it wishes to exercise its freedom of action and decision in the market. Against this background, antitrust law requires a company to determine and implement its market behavior independent of its competitors. Independence is the key. Therefore, as a rule, any coordination of market behavior with competitors is prohibited.

2. Core restrictions

The following types of agreements are always deemed to be illegal:

- Fixing prices or output.
- Sharing or dividing markets or territories.
- Sharing or dividing customers or suppliers.
- Boycott agreements.

3. Cooperation between Competitors

The permissibility of any type of cooperation between competitors depends on the market share of the companies involved. The question as to whether any such cooperation is allowed, can usually only be answered on a case-by-case basis.

Should you be faced with any of the following scenarios (or if any other form of cooperation with a competitor is proposed to you), please contact the KUKA Legal Department immediately:

- Agreements concerning joint production.
- Contract manufacturing (“extended workbench”).
- A competitor wishes to contract KUKA for the production of one of its own products.
- Joint research and development.
- Licensing of rights to patents, software or know-how.
- Joint procurement.
- Formation of joint ventures.
- Bid rigging (collusive tendering).

4. Informal agreements

Antitrust laws do not only apply to formal written agreements. Rather, these laws extend to all informal (“gentlemen”) agreements and any other forms of cooperation that do not rely on the existence of written agreements (so-called ‘concerted practice’). Even the exchange of competitive sensitive data can be an infringement of antitrust law.

III. Dealings with Customers and Suppliers

1. Basic principles for dealing with customers and suppliers

The relationships between KUKA and its customers and suppliers are subject to different rules than its relationships to competitors. However, the stricter requirements for conduct with competitors must be followed if the customer or supplier is at the same time a competitor of KUKA.

Generally:

- Simple supply relationships that are limited to sporadic purchase orders are not subject to any restrictions.
- The inclusion of competitors as subcontractors after KUKA has been awarded a contract is permitted. However, an understanding with a competitor before or during an invitation to tender, under which one of the competitors agrees to refrain from bidding or to withdraw its bid in return for the promise of being involved in the project as a subcontractor, is illegal. However, this does not prevent KUKA and a competitor from approaching a potential customer with a joint proposal.

2. Prohibited Activities

When dealing with customers and suppliers the following activities are strictly prohibited:

- Resale price maintenance (fixed and minimum resale prices). Nonbinding price recommendations and preset maximum resale prices however are permissible.
- Most favored nations clause to the detriment of the customer are always deemed illegal. However, such clauses are permitted if to the detriment of the supplier.
- Restrictions on passive resales. 'Passive resales' is defined as sales in response to unsolicited orders.

3. Other Resale Restrictions

Not all restrictions imposed by a company on its customers with regard to the resale of products are unlawful. A number of restrictions are permissible if the market share of the

enterprise (i.e. the supplier) does not exceed a certain threshold. The determination of the market share is based on the 'relevant market' and requires complex examination.

Whenever one of the following clauses is intended to apply in your area of responsibility, you must contact the KUKA Legal Department for an evaluation.

- Restrictions on resale.
- Restrictions in connection with exclusive distribution agreements.

4. Exclusive Dealing Arrangements

Supply relationships may give rise to the economic need to ensure the exclusivity of the other party's supply of products or services. Absent a dominant position, exclusive dealing arrangements are permissible with certain limitations. In individual cases, the permissibility of such arrangements depends on various factors. In most cases, only the KUKA Legal Department can therefore carry out the examination.

5. Intellectual Property / Industrial Property Rights

The evaluation of anti-competitive clauses in license agreements depends on many different factors, not just the type of rights licensed or the content of the rights granted. The KUKA Legal Department must therefore be consulted prior to entering into any license agreement.

IV. Abuse of a Dominant Position

The behavior of companies with dominant market positions is subject to particularly strict antitrust controls. Dominant market positions must not be abused or exploited in ways that would harm a true competitive environment. The abuse of such a dominant position is always prohibited. A dominant enterprise may not treat customers or suppliers unfairly (e.g., take advantage of them) or unduly obstruct competitors. Market dominance is not against the law – what is prohibited is any abuse of a dominant position.

In the following cases, particular caution is advised:

- Charging customers different prices, unless there is a justifiable reason to do so.
- Predatory pricing (pricing products to drive competitors out of the market or to prevent them from entering the market).

- Exclusive dealing arrangements.
- Sales target rebate systems.
- Loyalty rebates.
- Tying (conditioning the supply to a customer on the purchase of additional products by the customer).
- Refusal to supply.

Often it is not clear whether or not an enterprise is dominant and/or its conduct is abusive. This can only be assessed by a thorough review of the individual case by the KUKA Legal Department. Where customers, suppliers or competitors claim that they have been unduly obstructed, compromised or taken advantage of as a result of an agreement, a marketing measure or any other conduct on the part of KUKA, you must contact the Legal Department immediately.

V. Meetings with Competitors/Industry Conferences

KUKA attends numerous meetings with its competitors. Generally, such meetings are permissible. However, meeting with competitors (even at industry conferences or trade associations) entails the risk that such meetings may be used for collusion.

The following rules of conduct must be observed particularly when you take part in trade association activities:

- Set out a clear agenda.
- Whenever discussions turn to topics that infringe antitrust law, you should protest and insist on the discussion ceasing immediately. If need be, leave the meeting and have your departure recorded in the minutes of the meeting. Draft a memo regarding the incident as soon as possible after the meeting and immediately inform the KUKA Legal Department.

7. Group Policy

Foreign Trade and Export Control

As amended on April 1, 2016

KUKA supplies automation solutions to many industrial sectors on a large scale in many countries around the world. In our trading relationships, KUKA avoids any activity that would jeopardize foreign relations, security interests or the peaceful coexistence of the world's nations. KUKA ensures all of its exports are conducted legally.

KUKA is therefore committed to complying with the requirements under all domestic and international foreign trade and export control laws, rules and regulations.

I. General Principles

In principle, the world-wide trade in goods is free. However, the export of certain goods may be prohibited or require a license. Trade bans, embargoes, license requirements and restrictions designed to combat terrorism are complex and, at times, difficult to decipher. While KUKA has appointed certain Employees whose function is to be familiar with all such legal nuances, it is nonetheless important for each Employee to be appropriately familiar with foreign trade and export law and its requirements.

II. Export Coordinator/Export Control Officer

KUKA has appointed, where prescribed by law, Export Coordinators. Each Export Coordinator is assisted by one Export Control Officer. Every KUKA Company has also appointed one Employee responsible for import and export at the local level.

The Export Coordinators are responsible for organizing import and export control efforts within their Division, selecting and training staff, and monitoring compliance with the provisions of all foreign trade and payment laws. The Export Control Officers have the duty of assisting the Export Coordinators.

III. Critical Transactions

1. Prohibited Transactions

Various laws prohibit the export of goods to certain countries, organizations, and persons. The lists identifying who is subject to embargoes and export bans are continuously updated. Prior to any transaction, KUKA will determine whether the transaction is prohibited and, if so, we will decline the transaction.

2. Transactions Requiring a License

Some transactions, although not prohibited, require KUKA to obtain a license prior to export. Generally the granting of a license will depend upon the classification of the

product, its destination, the proposed end user and the intended use of the product. Even though KUKA products have been designed for civilian use, some of our products could be used in the military or paramilitary sector or in the production of armament goods (so called 'dual use goods'). KUKA will not export any such goods without first obtaining the necessary licenses.

3. Duty to Obtain a License for Transfers within the European Union

The movement of goods between the Member States of the European Union is referred to as 'transfer' (as opposed to an 'export'). Whether or not a license must be obtained for a transfer, depends on whether the goods will remain within the European Union or whether they will subsequently be exported to non-EU countries. Please check with your Export Coordinator for further information.

IV. Documentation

KUKA will maintain detailed records of all its exports and transfers. Records must include documents which permit verification of the:

- Designation of dual-use goods.
- Quantity of the goods.
- Name and address of the forwarding agent and the recipient.
- End-use and the end-user of the goods.

Records must be kept for a period of ten years from the end of the calendar year in which the export or transfer took place.

8. Group Policy

Insider Guideline for KUKA Employees

As amended on April 1, 2011

KUKA Employees may have access to confidential information that is not generally known by the public which information, if it became known, would have a significant effect on the price of KUKA shares or the shares of other companies. Because KUKA is a publicly traded company we are particularly subject to a number of laws regarding the purchase and sale of KUKA stock.

Employees are therefore required to comply with all insider rules with respect to the German Securities Trading Act. Under no circumstances may insider information be used for personal gain or the gain of third parties.

I. Principles of Insider Regulations

1. Who is an Insider?

The law distinguishes two categories of insiders: primary and secondary insiders.

- *Primary insiders* are persons who obtain insider information as investors in securities or as part of their regular work activities.
- *Secondary insiders* are all other persons who obtain insider information in another manner and without proper authorization. This includes an Employee who accidentally becomes aware of insider information while looking at a PC screen or copies of documents left lying around.

2. What is Insider Information?

Insider information is any information concerning KUKA (or another company) that is not available to the general public which information in the event of disclosure may significantly affect the stock or trading price of securities and which an investor would likely consider to be important in making a decision whether to buy, sell or hold onto KUKA stock or the stock of another company. Only provable facts can be insider information. Opinions, views, and value judgments are not considered insider information. The unauthorized use of insider information is known as insider trading, which is prohibited and sanctioned by criminal law.

II. Prohibitions

While reference is specifically made to the trading of KUKA stock, insider trading prohibitions generally apply to trading of any securities listed on stock exchanges or being publicly traded.

1. Prohibition of Trading

It is prohibited to buy or sell securities for one's own account, or for the account or on behalf of a third party, when using insider information.

This means in particular that you can not buy or sell KUKA stock if you are in possession of insider information about KUKA or information relevant for KUKA that has not yet been published. Once the information has been published by the Board of Management in the form of an official ad-hoc disclosure, you may once again buy or sell KUKA stock.

2. Prohibition of Disclosure

It is prohibited to disclose, or make available, insider information to a third party.

This means in particular you may not share insider information about KUKA or information relevant to KUKA with third parties. This prohibition applies to customers, suppliers, analysts, journalists and even your family and friends.

3. Prohibition to Recommend and to Induce

It is prohibited to make a recommendation to, or otherwise induce, a third party to buy or sell securities on the basis of insider information.

This means in particular you cannot recommend or 'tip-off' relatives, friends, and other third parties to buy or sell KUKA stock if you have the insider information about KUKA or information relevant to KUKA, even if the insider information itself is not being disclosed by you.

III. Rules of Conduct for Trading Insider Securities

In general KUKA advises against short-term sales and purchases of KUKA stock. Employees should always consult with the Head of KUKA Aktiengesellschaft's Legal Department prior to any purchase or sale of KUKA stock if they have any reservation concerning what constitutes insider information or if a particular purchase or sale of KUKA stock is prohibited.

1. Maintenance of Insider Lists

The General Counsel (Head of Legal Department) of KUKA Aktiengesellschaft maintains insider lists. The insider lists include individuals who work for KUKA and in connection with their position have access to insider information. Such lists shall serve to prevent insider law breaches and to monitor circumstances giving rise to insider information.

2. Further advice to Follow

- Maintain strict confidentiality and secrecy with regard to any and all insider information you have. You must not disclose any insider information to friends, family and/or other persons – not even by way of a ‘hint’.
- Treat all insider information confidentially within the KUKA organization. Any disclosure of insider information must be only on a ‘need-to-know’ basis. The group of staff members ‘in the know’ must therefore be kept as small as possible.
- Use insider and other confidential information solely for fulfilling the task for which you have received or created such information.
- Keep documents and data containing insider information against unauthorized access by secure means such as locked filing cabinets or password protected.
- Verify the security of both transmission and receipt of insider information.
- Do not leave sensitive flip chart pages or other material in meeting rooms.
- Any and all obsolete documents containing insider information must be destroyed (by means of a shredder or through central document destruction).
- Never discuss insider information in public or in areas that are accessible to third parties such as elevators, break areas or other ‘public’ places.
- Ensure that no confidential information is disclosed whenever you are in contact with third parties. Immediately forward any inquiries about insider information from representatives of the media to the KUKA Public Relations Department.

9. Group Policy

Business Transactions

As amended on April 1, 2011

Procurement and sales are of paramount importance to KUKA. A positive business relationship with our customers and suppliers is one of the keys to our success.

It is the duty of our Employees and authorized representatives to establish, foster, and cultivate these business relationships.

- The “Group Policy on Binding Quotations and Acceptance of Customer Orders by KUKA Companies” must be complied with.
- All other applicable Group Policies, such as on Antitrust law and on Corruption (both included in this Manual as Group Policies 6 and 10) need to be observed.

I. Fiduciary Responsibility

Each procurement and distribution transaction affects KUKA’s assets position. A corresponding duty to protect and diligently manage such position is imposed on each Employee involved. Hence, business decisions shall solely be made on the basis to achieve the best possible result within the prevailing competitive environment. Breach of this duty is sanctioned by criminal law (for example in Germany § 266 Criminal Code).

II. Transparency

In business, transparency means that an independent third party, who is not involved in a transaction, is able to accurately trace the entire transaction solely on the basis of existing files and records. At KUKA, each purchasing and sales transaction must be documented in writing, clearly identifying the: (a) parties involved; (b) subject matter; and (c) financial terms and conditions. Verbal agreements should be documented and then forwarded to the other party for written confirmation.

III. Invitations to Bid

KUKA wins bids by offering innovative high-quality products at competitive prices. Any form of unfair influence is prohibited.

IV. Assignments and Approvals

In our Company the 2-signature rule applies. Further details are set out in the Group Policy on the Authority to Represent and Sign (included in this Manual as Group Policy 2). If the business transaction requires the prior approval of a Board within the KUKA Group of Companies such approval must be obtained first before you can proceed with the transaction.

V. Confidential Information

All business and trade secrets of KUKA, its customers and suppliers must be treated confidentially. Unless the business relationship gives rise to a direct need to know, trade or business secrets must not be disclosed to suppliers or customers. Where disclosure cannot be avoided, it must be ensured that confidentiality and non-disclosure agreements are executed with the customer or supplier. When third parties are involved in a transaction (such as subcontractors) care must be taken to ensure such third party is legally bound to hold all information KUKA provides them confidentially. An Employee's or authorized representative's obligation to safeguard confidential information continues even after leaving KUKA.

10. Group Policy

To Avoid Corruption

As amended on April 1, 2011

KUKA combats corruption vigorously and categorically. Employees and authorized representatives are expected to immediately report all cases of suspected corruption to their Compliance Officer.

I. Definition of “Corruption”

Corruption means that a specific advantage or benefit is intended to be given in consideration for the granting of undue preference in business transactions. The advantage or benefit does not necessarily have to be money or gifts, but can in some cases also be of an intangible nature (e.g., personal advancement, promotion). The advantage or benefit may be in favor of the relevant Employee or an authorized representative or a third party (nepotism). The mere promise or the acceptance of a promise of an advantage/benefit as such is punishable.

The most common form of corruption is the granting of undue and unfair preference in the procurement of goods or services.

Corruption and corrupt practices are identified in a number of criminal statutes worldwide. However, corruption is not always obvious. The following are examples of the most common forms of corruption found in business transactions.

1. Bribes and Facilitation Payments

A bribe is providing money (or something of value) to influence the judgment or conduct of another. Facilitation payments, on the other hand, are usually made in order to dispose the acceptor in a positive way to expedite certain procedures and decisions. Both bribes and facilitation payments are prohibited by KUKA.

KUKA recognizes that paying commissions to intermediaries and broker contacts with potential business partners is commonplace in certain countries provided that the intermediary truly renders a valuable service in compliance with applicable law. The person receiving such payment must not be used as a middleman for KUKA to pay either a bribe or facilitation payment. A corresponding obligation shall be imposed on each intermediary and broker.

2. Donations and Sponsorship

Donations to charitable or cultural causes may be desirable but can come dangerously close to corruption if intended to influence a decision by a company or government authority. Therefore, any commitment to make a donation or sponsorship must be agreed to by the local KUKA Company Managing Directors as well as in cases of doubt by the Compliance Officer and then properly documented. Additionally the adherence of the applicable Donations Group Policy must be considered.

3. Promotional Gifts, Entertainment, Invitations

While Employees or authorized representatives are encouraged not to receive or extend business courtesies, at times you may be in a situation to do so. Minor promotional gifts, entertainment and other invitations are a frequent occurrence in business and not necessarily an indication of corruption. KUKA therefore condones such infrequent tokens of courtesy. However, where any such gestures are made with certain regularity or where they are unusually high in value, there is the risk an Employee or an authorized representative could be exposed to a mounting dependency on third parties. Thus, a sense of proportion and restraint is necessary at all times. When in doubt, you should be too cautious rather than too generous.

Please consider especially:

- Any gift received, or given, must be of the kind and size that complies with the internal policies and rules of both the giver and the taker and must be within the limits of what is customary within the business world and in line with social conventions. Extravagant gifts are prohibited.
- Employees or authorized representatives must not accept or offer entertainment gifts or personal favors that could, in any way influence or appear to influence, business decisions in favor of any person or organization. Never accept or offer a gift that was given with the intention of creating dependence.
- Should you arrive at the conclusion that you cannot accept or offer a gift, but fear that your refusal (or failure to give) may be considered as being rude, you should explain that KUKA imposes very strict requirements for such gratuities. In most cases, your business partner will understand and respect your decision. If a giver absolutely refuses to accept your refusal of a gift and is offended by your rejection, then you should accept the gift, but then deliver it to your Compliance Officer without undue delay.
- Attendance at a sponsored workshop, seminar or training session is permitted with approval of your supervisor or Compliance Officer. Arrangements of the host that include travel or overnight accommodations at no cost to the Employee are not acceptable.
- KUKA is committed to complying with all legal and tax rules and regulations concerning the giving or receiving of any gift or gratuity. Employees must therefore advise the Human Resource Department of any gift and gratuity given or received (except for minor courtesies or negligible gifts, such as promotional articles) so that applicable tax regulations can be followed.

II. Identification and Indications of Corrupt Behavior

The following circumstances in particular are common 'signs' of possible corrupt conduct:

With regard to the execution of a business transaction:

- Unusual and implausible prices; recurring mathematical errors.
- Incomplete documentation without detail and lack of transparency.
- The payee forwards only part of the payment to the person who placed the order. This may be an indication of an unlawful kickback.
- Payments to persons who are associated with the supplier/customer (which could therefore be categorized as covert payments to such supplier/customer).
- Cash payments.

With regard to the personal conduct of a KUKA Employee or authorized representative:

- Inexplicably high living standard.
- Concealment of events and circumstances.
- Conspicuous preference for a particular supplier or vendor.
- Business decisions made without plausible reasons or proper documentation.

III. Anti-Corruption Measures within the KUKA Group

KUKA Employees and authorized representatives must, at all times, avoid any appearance of corruption.

Therefore, the following guidelines must be followed.

- Gifts to government authorities or agencies are strictly prohibited.
- Employees and authorized representatives have a primary duty to promote KUKA's corporate interests and ensure that their individual interests or relationships do not influence work decisions. To avoid potential conflicts Employees and authorized representatives must separate their own personal interests from those of KUKA. All relationships with third parties must be formed on the basis of objective criteria such as price, quality and reliability.
- Any potentially conflicting personal interests must always be documented and disclosed to your supervisor, Human Resources Department or the Compliance Officer.

11. Group Policy

Retention of Advisers

As amended on April 1, 2011

At times KUKA relies on external advisers. The careful selection of such advisers is of particular importance to KUKA.

Excessively high or inappropriate costs, permanent or structural dependence and unjustifiable preferential treatment of advisers is not permitted.

I. Transparency and Documentation

KUKA stands for transparency in its decision-making processes. Transparency means that an independent third party is able to trace a transaction solely on the basis of the existing files and records. Thus, the retention of advisers must be documented in such a way to show that retention of the adviser was both justifiable and verifiable.

II. General Guidelines

In selecting an adviser, KUKA follows the following guidelines:

- The identity of the adviser must be verified.
- The reliability and the good reputation of the adviser must be confirmed.
- 'Letterbox' companies may not be retained.
- An adviser may only be retained if and when the services cannot be performed by an Employee at comparable cost, effort and with the appropriate level of skill.
- As a rule, the selection of an adviser should be made based on offers obtained from a number of different advisers.
- All agreements with advisers must be in writing and must be concluded before the adviser commences work. The contracted services must be specifically detailed. General references such as 'project organization' or 'consultancy' are not sufficient. The two-signature principle applies to all such contracts.
- The adviser must act in his/her own name and on his/her own account.
- Remuneration must be adequate, in line with market prices, and commensurate with the services actually provided. Payment may be made only if evidence of the work rendered is produced. Cash payments to advisors are not permitted.

III. Conflicts of Interest

When providing services to KUKA, an adviser must act independently. This independence can only be ensured if the adviser has no interests that could interfere with the performance of services for KUKA.

Specifically:

- An adviser may not be part of KUKA's business or personal environment or the environment of a KUKA business partner.
- Retaining a related party as an adviser is a sensitive area and subject to close scrutiny. This includes spouses, civil partners and children as well as legal entities, companies or organizations which are directly or indirectly controlled by a KUKA Employee. Any such engagements require the prior approvals of your Compliance Officer.
- Where the adviser is a politician, public servant, public office holder or a member of the government of any country his or her retention requires the prior approval of the KUKA Aktiengesellschaft Board of Management and, if the adviser is a public servant or holds a public office, the consent of the head/director of the public agency.

IV. Confidentiality

KUKA is committed to protect not only its own confidential and proprietary information but the information of its customers and business partners as well. Therefore, unless the business relationship gives rise to a direct need to know, confidential and proprietary information must not be disclosed to an adviser. Written confidentiality and non-disclosure agreements must be included as part of the agreement to retain any adviser.

12. Group Policy

Cash Transactions, Prevention of Money Laundering

As amended on April 1, 2016

KUKA supports all measures necessary to prevent the financing of transactions associated with or facilitating crimes (e.g. international terrorism). As such, certain transactions are prohibited at KUKA.

I. Cash Transactions

KUKA does not undertake cash transactions on a large scale. As a rule, cash payments and receipts in the course of KUKA business are usually not permitted. Nonetheless, situations may arise that require substantial cash payments particularly in connection with projects and business conducted in countries that do not yet have a developed financial and banking system. In such cases particular caution must be taken to ensure money laundering and other illegal financial transactions do not occur. In such cases KUKA Aktiengesellschaft's Corporate Treasury / Finance Department must be informed of any such proposed cash transaction and their instructions must be followed.

II. Money Laundering

Money laundering occurs when financial assets derived from an unlawful act are then invested in a legal transaction or used for a legal purpose thus concealing their illegal origin. If you become suspicious that funds or assets involved in a business transaction (irrespective of the amount involved) either originates from a criminal offense or is intended for the financing of criminal associations such as terrorist groups, you must refuse the transaction and notify your Compliance Officer immediately.

Regarding probable financial obligations and inflow of financial resources, KUKA is obliged to know or get to know the identity of its business partners. This includes the "beneficial owner", the person, in which possession, respectively under whose control, the business partner stands or on whose instigation he takes action. The KUKA employee responsible has to take care of this identity verification and document it.

13. Group Policy

Third-Party Services

As amended on April 1, 2011

In addition to our Employees KUKA uses ‘third-party’ services to perform work functions. While such third-party services are of great importance to KUKA, they inherently entail a number of risks. The precise and accurate assessment of any legal relationship between KUKA and an Employee involves various legal consequences. Correct identification and differentiation is often difficult.

We must ensure correct classification when creating legal relationships with individuals that will perform any type of work for KUKA.

In case that an appropriate classification can not be made using the criteria set forth below, the KUKA Legal Department must be consulted. Moreover, all contractual relationships with third parties must regularly be reviewed to confirm compliance with this Policy and all legal requirements. This procedure will ensure from the outset that appropriate social security contributions and taxes are correctly ascertained, withheld, and paid. KUKA is committed to using only the correct classifications and categories under all employment, tax and social security laws.

I. Self-Employment

A wide range of criteria are used to distinguish a self-employed individual from an employee. However, there is no generally accepted formula for classifying someone as either self-employed or employed. The 'designation' of a relationship serves only as an indication of the actual legal relationship created. Each individual case must be reviewed as the actual 'performance' in the individual case is the decisive factor.

The following is a list of common criteria that support a classification of self-employment:

- The ability to freely determine work, work hours and work place.
- Employment of own staff.
- Registration of a trade or business.
- Providing own work material and tools.
- No permanent engagement (longer than one year) with any single customer.
- Contracts with more than one customer.
- Remuneration depends on a specific result and the outcome achieved (not the number of hours worked).
- Clear specification of the work to be performed.
- Incurring of entrepreneurial risks.
- Own business card.
- Not entitled to receive typical employee benefits such as sick leave or holiday pay.

The following is a list of common criteria that would support a classification of dependent employment:

- Bound by instructions regarding place, time and content of work.
- Integration into the company's business.
- Performance of work that is typically subject to direction and control.
- No entrepreneurial risk.
- Remuneration based on hours worked, not the job outcome.
- Work for only one company.
- Integration into the company timekeeping system.
- Payment of sick and holiday leave and other benefits.

II. Fictitious Self-Employment

If someone is treated as self-employed, although that person is actually performing work as a dependent employee, this would constitute 'fictitious self-employment.' Even where the contract structure as such is correct, the way the contract is performed can nevertheless result in fictitious self-employment.

Fictitious self-employment unlawfully avoids the withholding and payment of benefits, wage, tax and other social security contributions and is, therefore, illegal. The engagement of an individual whose work would in fact constitute fictitious self-employment must be avoided under all circumstances.

III. Temporary Employment

From time to time, KUKA engages temporary employees who are leased out to KUKA by another company (in most instances by a temporary employment agency). All contracts with such third-party companies must be examined carefully to ensure that such companies pay applicable wages, benefits and satisfies social security obligations with respect to the employee involved. General laws have to be complied with in these issues, as well e.g. in Germany the issuance of the permission for commercial employee leases by the

Agency of Labor. Please consult the Legal Department for further clarification if you have any questions concerning temporary employee leases.

IV. Illicit Employment

Illicit employment is based on the agreement to pay for work without withholding and remitting tax or social security contributions ('under the table').

Illicit employment is deemed to exist if:

- A taxable person fails to meet his or her tax obligations arising from employment or from contracts for work or services; or
- A recipient of social security benefits fails to meet his or her notification obligations arising from employment or from contracts for work or services.

Any form of illicit employment is strictly prohibited at KUKA. KUKA Employees are urged to report any suspicion of illicit employment to the Human Resources Department without undue delay.

14. Group Policy

IT Systems and Data Protection

As amended on April 1, 2011

Modern information technology systems are of fundamental importance to KUKA, significantly contribute to our lead in innovation and support our business development. KUKA therefore considers the skilled handling by its Employees of efficient and secure information technology systems (“IT Systems”) as one of the key factors for its business success. Information technology (“IT”) consists of all technical systems that collect, store, process, reproduce, and transmit information.

This Group Policy is intended to outline the general guidelines which must be followed in the organization and operation of KUKA IT Systems.

I. Personal Data Protection

1. Scope of Protection

Complying with data protection rules is of particular importance because the statutory requirements are both comprehensive and detailed. Generally, the collection, processing, and use of personal data are only permitted if all legal requirements and statutory provisions are met.

2. Data Protection

Personal data may not be given to other persons or to other companies within the worldwide KUKA Group. For certain exceptions special rules apply, e. g. agreements with work councils, may exist, i.e. company agreement, which have to be complied with.

KUKA has taken a variety of measures to protect (and prevent the misuse of) all personal data collected, used, and processed at KUKA. This includes, but is not limited to, technical measures for the protection against unauthorized access or interference.

3. Data Protection Officer

KUKA Aktiengesellschaft, each of its Group Companies and local Companies have appointed a Data Protection Officer who will ensure compliance with this Group Policy and data protection provisions at their respective companies.

II. Data Security

1. Data Integrity

The integrity of our data must be ensured on an on-going basis. This includes the protection of its confidentiality, availability, authenticity, and reliability. Any data used by KUKA, be it personal data or trade or business secrets, must therefore be protected against unauthorized access and alteration.

IT Systems must be used in such a way that the integrity of all data is ensured during use, processing, storage and transmission. This can be achieved through various measures, such as passwords and encryption technologies. For further details on the protection of data integrity consult the relevant IT security standards and IT security check lists of KUKA Aktiengesellschaft, the Group Companies as well as your local Data Protection Officer.

Note that copyright laws must always be observed when electronically processing or storing third-party data.

2. Careful Handling

Employees must comply with the following standard of care when working with IT Systems:

- IT Systems must be treated with due care and diligence.
- Modifications, installations, deinstallations, updates or maintenance of hardware or software may only be performed by the IT Department or upon their instructions. Exceptions have to be approved by the SSC-IT Department.
- All IT Systems (including peripheral devices such as hard drives, CD-ROMs, DVDs, USB sticks, and the data stored thereon) must be appropriately protected from theft, loss, misuse or unauthorized use.
- Safeguards preinstalled by KUKA (such as passwords, virus scanners, firewalls, etc.) must be used and may not be deactivated. Automatic software updates must not be blocked.

If you suspect that an IT System used by KUKA constitutes a security risk (because of a virus infection, a hacker attack or any other cause) you must notify your supervisor and your IT Department immediately.

Special provisions of KUKA Aktiengesellschaft and the relevant Group Company for the treatment and handling of IT Systems must be observed at all times.

III. Use of IT Systems

1. Principles of Use

Unless mandatory statutory rules are directly applicable, the use of IT Systems within KUKA is governed by the individual employment contracts of KUKA Employees and the agreements with work councils or other agreements governing the employment relationship. The following disclosure must be placed on all e-mails:

This e-mail may contain confidential and/or privileged information. If you are not the intended recipient (or have received this e-mail in error) please notify the sender immediately and destroy this e-mail. Any unauthorized copying, disclosure or distribution of the contents of this e-mail is strictly forbidden.

Some Companies may have to include required fields concerning board of management, managing directors or commercial register in their e-mails.

2. Use of IT Systems, Particularly Internet and e-mail, for Business Purposes

IT Systems are provided for business use and shall be utilized in an appropriate way only for your job function. Employees may only use their own KUKA internet access or e-mail account. It follows that except for use authorized by your supervisor in cases of absence, no other person may use your PC or KUKA e-mail account. Passwords may usually not be given to other persons.

3. Private Use of IT Systems

As a general rule, the IT Systems made available by KUKA for business use must not be used for private communications or the storage of private data. In exceptional cases private use may be tolerated. If a KUKA Company has adopted a written policy regarding the private use of internet/intranet connections and e-mail accounts you must abide by such policy.

Even if the private use of IT Systems is permitted, any such use must not interfere with your job or KUKA's operating processes.

The private use of the internet or e-mail must not result in Employees committing criminal offenses or illegally downloading copyrighted files and storing them on Company data carriers or illegally distributing them via their e-mail account. In addition, the transmission of e-mails or files with religious, political, extremist or pornographic content is prohibited.

IV. Retention and Archiving Obligations

Both the retention and the archiving of certain data are governed by detailed statutory provisions which must be observed by KUKA. Electronic data processing is only one of many possible forms of retention and archiving.

As a rule, the following must always be ensured in the retention and archiving of data:

- Orderliness of archiving.
- Completeness of data.
- Security of the retention method.
- Protection from modification and corruption of data.
- Protection from data loss (backup).
- Use of data by authorized persons only ('need-to-know' principle).
- Compliance with statutory or company retention periods.

15. Group Policy

Use of Company Equipment

As amended on April 1, 2011

KUKA uses equipment such as machinery, tools, consumables and office supplies in its daily activities. To ensure smooth running of its various operations, care and caution must be taken when using such equipment and supplies.

This Group Policy discusses the proper use of such equipment (but does not cover IT equipment which is the subject of Group Policy No. 14 in this Manual).

I. General Principles for the Use of Company Equipment

As a rule, KUKA equipment should only be used for work purposes. Limited exceptions may be made by each local KUKA Company. However, whenever KUKA equipment is used, whether for business or private purposes, the standard of care set forth below must be observed.

II. Standard of Care for the Use of Company Equipment

KUKA Employees are required to observe the following rules when using company equipment:

- All equipment must be treated with due care and diligence.
- Equipment must be maintained, cleaned, and otherwise serviced as necessary.
- Equipment must be used in an economical manner. Excessive wear or consumption of consumables such as electricity, water, gas or oil must be avoided.
- All operating instructions for the equipment must be read before using. Specific instructions about the equipment given to an Employee by his/her supervisor must be followed.
- Equipment must be appropriately protected from theft, loss, misuse or unauthorized use.

III. Private Use of Company Equipment

Personal use of company equipment will only be permitted in exceptional cases and then only with the prior consent of the Employee's supervisor.

In each case the following has to be ensured as to private use:

- It will only be permitted for short durations and generally only over weekends or on legal Holidays.
- It will not interfere with KUKA operating processes.
- It will not serve for the Employee's own commercial activities.
- It is always at the Employee's own risk.

Furthermore, special guidelines of the local KUKA Company have to be observed.

16. Group Policy

Health, Occupational and Environmental Safety

As amended on April 1, 2016

The health and safety of our Employees as well as the sustainable use of resources are of paramount importance to KUKA. All KUKA facilities are planned, monitored, inspected, serviced and maintained with the goal of eliminating dangers and hazards and preventing occupational diseases and accidents. KUKA gives guidance to its Employees and provides instructions on workplace safety constantly.

This Group Policy is designed to inform Employees about the guidelines of prevention of health, occupational and environmental safety.

I. Work Hours

Occupational health and safety of our Employees is supported by arranging the working hours in a suitable way. KUKA complies with the relevant laws and regulations as well as valid labor agreements governing working hours, prescribed by law.

II. Health, Occupational and Environmental Safety

All employees are expected to consider the health and safety of themselves and any third parties who are affected by them and the sustainable use of resources in the performance of their work.

Specifically:

- Each KUKA Company appoints in accordance with governmental requests at least one Officer who is responsible for the implementation and maintenance of measures regarding health-, fire-, explosion- and environment protection.
- To ensure and improve health, occupational and environmental safety, KUKA trains and instructs its Employees. When fostering awareness, the own responsibility of each employee for himself and his working environment is of major importance. Any instructions have to be followed.
- Individual responsibility and personal initiative are a contribution to health, occupational and environmental safety. All Employees of KUKA must promptly report any serious immediate hazard to health, safety or environment to their supervisor, to facilitate immediate action as well as an investigation.
- Employees are encouraged to make suggestions for the improvement of occupational safety at any time.
- KUKA provides appropriate protective devices and equipment to its Employees and Employees must use all such equipment when performing their work.
- Where economically feasible, KUKA reduces environmental impact and the use of non-renewable resources and improves environmental performance through measures to improve energy and resource efficiency.

AUGSBURG, 5th Edition May 1, 2019

© KUKA Aktiengesellschaft
Zugspitzstr. 140
86165 Augsburg

Printed 2019

