

Whistleblowing policy

preamble

Guideline on the whistleblowing system for the MAGNETEC Group

preamble

Various scandals in companies in Germany and around the world have recently shown that no company is protected from individual employees, entire departments or even the management bodies disregarding the applicable laws and regulations and thereby unifying the company in the short, medium or long term Cause harm.

Even if the operating partners generally assume that all employees, including the management bodies, will always behave lawfully and in an exemplary manner, precautions should be taken in the event that illegal acts, toleration or omissions occur and / or the company is threatened with significant damage. The operating partners are aware that direct involvement of third parties and the general public is regularly inappropriate and can only lead to further complications. The primary goal in such a situation should therefore be the immediate notification of the responsible departments in the company, then the internal clarification and resolution of the matter and finally the prevention of further violations.

Employees should therefore be encouraged to report illegal conditions or threatened damage without having to fear that they will face sanctions of any kind. For this, it is necessary that a whistleblower system enjoys the trust of employees, can maintain independence, ensures protection for the whistleblower, but also protects those who are referred to in a specific case through the rule of law.

Both sides understand that the employer will also incorporate the mechanisms of this guideline into contractual relationships with third parties in such a way that external employees who work for Magnetec Group can participate in the whistleblower system with comparable protection (e.g. as witnesses).

1. Scope

This policy applies to all employees of Magnetec Group.

When employing third parties, the employer is obliged to ensure that the rights of employees from this guideline are observed.

2. Definitions

2.1

Legal violations within the meaning of this guideline are violations of laws, ordinances, collective agreements, individual, collective or group works agreements as well as legal internal guidelines of Magnetec Group.

2.2

Material legal violations are legal violations that are suitable

- to significantly impair the proper operational processes, or
- Bringing criminal liability for the employee responsible at Magnetec Group, or
- to cause significant damage to Magnetec Group, or
- entail not inconsiderable risks for the reputation of Magnetec Group ("reputational damage").

2.3

Substantial misconduct is behavior that, without being a violation of the law within the meaning of this guideline, is capable of causing considerable damage to Magnetec Group or its employees.

2.4

It is irrelevant for the existence of a significant legal violation or significant misconduct who initiated / caused such an infringement or such misconduct. This can be any person belonging to the company or a third party, provided that the other conditions for a significant violation of the law / significant misconduct are met.

2.5

Whistleblower is any person (regardless of gender) who provides information about legal violations or misconduct to the bodies provided for this purpose in accordance with this guideline or to third parties (authorities, media, the public).

3. Notes

3.1

Employees who are aware of a significant legal violation or significant misconduct are requested to provide information about this. In the event of danger to life or limb of persons, every employee has the duty to provide information; The duty to provide assistance according to general law remains unaffected.

3.2

The same applies if employees have a reasonable suspicion of a material violation of the law or significant misconduct.

3.3

It is not decisive here whether the major legal violation or major misconduct occurs in the whistleblower's work area or outside of it.

The knowledge or suspicion of legal violations or misconduct that are not material or significant should be discussed with the immediate superior as a matter of priority. If employees are in doubt about this, they may, however, also report the information via the whistleblower system in such cases.

3.4

Notes in the sense of this guideline may not be given if the subject of the note has no relation to Magnetec Group. In particular, a notice must not violate the private and intimate sphere of employees, provided that there is no reference to their official conduct. A notice may also not be given if the whistleblower would thereby commit a criminal offense, in particular defamation, defamation, false suspicion.

3.5

A notice does not have to be given if the whistleblower would have to accuse himself through the notice.

4. anonymity

4.1

If possible, notices should not be given anonymously. Nevertheless, it is at the whistleblower's sole discretion whether or not to remain anonymous.

4.2

The whistleblower system is designed so that reports can be submitted anonymously. It is not possible to trace the whistleblower.

5. Protection against reprisals

5.1

If an employee provides information about a material violation of the law, significant misconduct or a suspicion about this that is not obviously unfounded, this employee may not be disciplined because of the information.

5.2

Any behavior in connection with the notification that puts the whistleblower worse or degrades, in particular warnings and terminations, is deemed to be a measure of reprimand.

Even if a hint proves to be unjustified, the hint must not have any negative consequences for the honest whistleblower, in particular for his employment contract position or his professional advancement at Magnetec Group. In particular, Magnetec Group may not justify the action or omission in question with the fact that the information is given in the event of an imminent or existing disadvantage.

5.3

Any measure taken by a whistleblower constitutes a serious breach of duty in the employment or service relationship. Employees who reprimand whistleblowers in connection with the submission of reports must expect disciplinary measures. The management bodies support honest whistleblowers and ensure that they are dealt with objectively and fairly.

5.4

This special protection from measures does not apply if the whistleblower gives a hint that he should not have given (Section 3.4). In this respect, the employer's general employment law options remain.

5.5

Before issuing and issuing a warning or termination, it must be carefully considered whether the breach of this guideline is so serious that such a sanction is necessary. The length of service of the employee, age and personal circumstances must also be taken into account. In case of doubt, incorrect reports should also be processed by improving the training courses on the whistleblower system.

6. Alert procedure

6.1

For the employees of Magnetec Group, there are various reporting channels (clauses 6.2 - 6.3) to report information about significant legal violations or significant misconduct, which are equally important.

6.2

If possible, information should first be given to the immediate superior orally or in writing. The supervisor has to document the advice. If the information concerns the line of work of the superior and if he considers the information to be justified, he must take remedial action and inform the whistleblower and the management or the compliance officer in writing. If the information does not concern the line of work of the superior and it could be compliance relevant, he must forward the information to the management or the compliance officer.

6.3

If a notice to the immediate superior does not lead to further prosecution after a reasonable period of time or if it is unreasonable or uncomfortable for the employee for whatever reason to contact the immediate superior, the employee should contact one of the following offices:

- directly to the compliance officer – contact see magnetec.de
- by post to the compliance officer – contact see magnetec.de

6.4

If an employee gives the compliance officer an indication of a material violation of law or significant misconduct, he or she must check on the basis of the reported facts and his general knowledge of the operational circumstances whether there is a material violation of law or significant misconduct. If the whistleblower so wishes when issuing the report, the compliance officer will inform the whistleblower of the result of his reviews. All of this is documented.

6.5

If the employee uses the post to submit an anonymous report, he should formulate and send his report as specifically as possible and stating all relevant details. The information is read by the compliance officer, who then checks, on the basis of the reported facts and his general knowledge of the operational circumstances, whether there has been a significant violation of the law or significant misconduct. If the whistleblower so wishes when issuing the report, the compliance officer will inform the whistleblower of the result of his reviews. All of this is documented.

6.6

Information to supervisory authorities may be given if this is necessary from the point of view of the whistleblower and internal processing of an internal report has not been started within a reasonable time (maximum two weeks after the internal report was issued). Such a notice may also be given if this is permissible in other cases under general labor law. Such a notice may also be given if there is imminent danger and there is an immediate danger to life and limb of persons. If there is a suspicion of a criminal offense, information may always be given directly to the police or the public prosecutor's office. In the event of criminal offenses against the company, reporting to the police or public prosecutor's office is reserved for the employer.

Advice to the media or the public may not be given. Exceptionally, however, such information is permissible if the information has not been processed by Magnetec Group or a state authority and it concerns questions that are of major public interest in clarification outside of Magnetec Group.

6.7

The management will ensure that all employees involved in a procedure and between all those involved are dealt with in an objective and fair manner.

6.8

Every notice is documented in the compliance department. If the information turns out to be clearly unfounded, the compliance department begins an internal investigation into the case.

7. Protection of an employee named in a notice and of witnesses

7.1

The identity of an employee named in a notice must be treated confidentially as long as or to the extent that maintaining this confidentiality does not prevent the process from being clarified or does not make it disproportionately difficult.

7.2

Magnetec Group guarantees compliance with the presumption of innocence in favor of the reported employee.

7.3

If no misconduct can be proven to an employee who was named in a notice or who became the subject of a procedure due to a notice, Magnetec Group provides the same protection as for the whistleblower.

7.4

If no misconduct can be proven to an employee who was named in a notice or who became the subject of a procedure due to a notice, Magnetec Group provides the same protection as for the whistleblower, in particular according to No. 2 (6).

7.4

The aforementioned protection also applies to employees who appear as witnesses in the proceedings.

8. Protection of those employees who are dealt with information

Magnetec Group waives the right under the employment contract to have the identities of whistleblowers disclosed to all employees who deal with the processing of reports.

9. Final provisions

9.1

Should individual provisions of this guideline be or become ineffective or unenforceable, the other parts remain unaffected. The ineffective provision will be replaced immediately by both sides with an effective one that comes as close as possible to what was intended.

9.2

This policy can be terminated by the employer with 6 (six) months' notice to the end of the month. It does not have an effect. After termination, negotiations on a new agreement must be started immediately.

Langenselbold, 09.09.2020

MAGNETEC Gesellschaft für Magnettechnologie mbH

A handwritten signature in black ink, appearing to read 'M Nicolaudius'.

Marc Nicolaudius
(CEO)