

Commitment to integrity and code of conduct to be observed by employees of BIL eG (as of February 2016)

Preamble

The *Corporate Governance Code* for cooperatives sets forth fundamental legal provisions for the management and monitoring of cooperatives (corporate management) and includes nationally and internationally accepted standards of sound and responsible corporate governance. Its intention is to strengthen the trust placed in the management and monitoring of German cooperatives by members, customers, employees and the public. Pursuant to sec. 1 para. 1 GenG [German Cooperative Societies Act], a cooperative has a special mandate to support the development of its members. The economic furtherance of its members is its defined statutory purpose. This developmental mandate is mainly manifested in that the cooperative's facilities are used by members and in that members maintain developmental business relations with it. The members of a cooperative are at the same time its customers, providing the required equity and bearing the entrepreneurial risk. In the above-mentioned forms, this also applies to BIL eG.

As a registered cooperative, BIL eG was founded in June 2015 by 17 companies, some of which are internationally active. Some of the member companies have international owners or participations and are involved in international commerce.

BIL eG was founded at a time of fundamental political and social change. In the context of global bank crises, other industrial manipulation scandals and instances of corruption, it is important for companies to position themselves clearly to demonstrate to employees, owners, cooperation partners and customers their commitment to ethical and moral business principles. It is important that these not only comply with the legal framework conditions at the company's seat but are also based on transparent and fair international framework conditions as defined by a *Governance Code*.

With the principles set forth below, BIL eG wants to clearly demonstrate its commitment to the specified code of conduct, constantly challenging itself to check whether it is being adhered to by itself and others. For a cooperative based on principles of solidarity, acting as a role model and taking a pre-emptive approach to protecting and promoting its own business interests is of particular importance.

The code set forth below provides the basis for the activities and operations of BIL eG.

This code of conduct represents BIL eG's commitment to ethical behavior.

All employees of BIL eG shall undertake to honor this commitment, adhering to the provisions of the code of conduct and the standards, instructions, procedures and processes relevant to their respective sphere of activities.

BIL eG shall not enlist the services of contractors, consultants or other third parties for activities that violate this code of conduct.

Any violations of the code of conduct or actions contravening the principles set forth in it shall be reported to the board of management/to the supervisory board.

- **Cooperation with members of the cooperative, partners and suppliers**

Relations between BIL eG and its business partners shall be based on strictly legal, efficient and fair business practices. BIL eG expects its business partners to observe all laws and legal requirements, to treat staff fairly, ensure occupational health and safety, and protect the environment.

- **Inadmissible payments**

Payments rendered in order to gain advantage in a particular situation are unacceptable and may lead to criminal prosecution of BIL eG or the person involved. Such inadmissible payments are prohibited by BIL eG. This shall apply to dealings with public principals as well as private companies.

- **Bribery**

Rendering payments to registration officials or other office holders, presenting them with objects of value or offering them such payments or objects of value in order to obtain or retain business contracts by unfair means or for any other unfair purpose or business advantage is prohibited by laws on bribery and corruption. This includes offering services and presenting gifts or invitations. Effecting inadmissible payments via third parties is also prohibited by the code. BIL eG shall therefore proceed with utmost care in the selection and monitoring of its agents, contractors and business partners.

BIL eG shall request accurate financial reporting and documentation, ensuring that payments are disclosed correctly and not rendered for unlawful purposes.

Accommodation payments rendered to expedite routine legal matters with public authorities, such as licensing or the release of goods from customs, are not admissible, even in case of petty amounts.

- **Gifts and invitations**

The terms "gifts and invitations" include anything of financial value that does not inure to the benefit of BIL eG. On principle, discounts, loans, advantageous conditions for products or services, prices, transportation, the use of another business's company cars, the use of vacation accommodations, shares and other securities, cash, participations in shares issued, and private home improvements are not permissible. Tickets for events, gift vouchers and general invitations should not exceed the value of €100 per person. In case of doubt and repeated gifts, the board of management or the supervisory board shall be informed. These provisions shall also apply to the behavior of BIL eG vis-à-vis other market participants.

- **Prevention of money laundering**

BIL eG shall undertake to comply with anti-money laundering and counter-terrorism laws.

- **Data privacy**

BIL eG and its employees shall observe the laws of data privacy.

BIL eG shall not pass on internally or externally any personal data without the required consent. Personal data shall not be stored longer than necessary to fulfill the designated business purpose or legal purpose.

- **IT governance**

IT governance encompasses leadership, organizational structures and processes to ensure that the corporate strategy and goals are supported by information technology (IT) . In this context, the term IT refers to the entire infrastructure but also the capabilities and the organization that provides the basis for and supports the IT of BIL eG. IT governance falls within the responsibility of the board of management and is a fundamental part of corporate management. In the particular field of activity of BIL eG, IT governance and IT security are of extreme importance.

- **Cooperation with public principals**

BIL eG maintains business relations with public corporations and state-owned enterprises. In its daily work, BIL eG is frequently in touch with public principals, civil servants and national authorities. The employees of BIL eG shall be obligated at all times to apply the highest ethical standards and to comply with all applicable laws and regulations including certain special provisions to be taken into account with government assignments.

- **Compliance with competition law**

Competition law and antitrust law

- prohibit agreements or concerted actions between competitors that could undermine competition.
- govern the behavior of business that are in a dominant position.
- require the prior examination and in some cases approval of mergers, acquisitions and certain other transactions in order to prevent transactions that impair competition.

BIL eG is aware of its special responsibility regarding regulations under antitrust law and competition law and shall undertake to comply with them.

- **Fair employment practices and non-discrimination**

Fair employment practices are more than merely complying with the applicable labor and employment law. They contribute to a culture of mutual respect. BIL eG shall undertake to comply with all laws and regulations on the freedom of assembly, data privacy, collective agreements, immigration, working hours, salaries and hours worked, as well as all laws and regulations on forced labor and child labor and discrimination in the workplace. BIL eG shall strive to create a working atmosphere that embraces all employees.

BIL eG shall ensure that decisions regarding the recruitment, selection, development and advancement of employees are taken based on the employee's suitability, i.e. based on qualifications, demonstrable capabilities and performance. Decision must not be influenced by factors such as origin (ethnic background), skin color, religion, gender, age, citizenship, sexual orientation, gender identity, civil status or disability.

- **Health, safety and environment**

Protecting the health and safety of employees and environmental protection are legal requirements that BIL eG shall be happy to comply with. Management, leaders and employees shall be obligated to always ensure safe conditions for their work and activities and keep any negative environmental impact to a

minimum. This policy not only concerns BIL eG's waste and emissions management but all areas of the business, e.g. the distribution of services, the use of a company car on business trips, or the introduction of new services.

- **Security and crisis management**

In times of an increased threat of terrorism, protecting citizens, workplaces, information and business activities is an important part of BIL eG's activities. To prevent terrorist acts and other criminal acts, BIL eG may, if necessary, initiate measures concerning employees and undertakings as well as IT infrastructure, business continuity and crisis management. Also, employees shall take all due precautions to prevent BIL eG from entering into dealings with terrorists or individuals supporting terrorist acts.

- **Intellectual property**

BIL eG's intellectual property counts among its most important assets. BIL eG's patents, trademarks, copy rights, trade secrets and other protected information subject to property rights shall be protected by all employees at all times. At the same time, respecting the property rights of other parties is of equal importance. Any unauthorized use of the intellectual property of other parties may result in prosecution and actions for damages being brought against BIL eG and possibly even individual employees. This may result in substantial fines or penal measures. To protect the intellectual property of BIL eG and of other parties, it is therefore crucial that new BIL products, services, processes and software be checked appropriately in due time for any infringement upon inventions, trade secrets or intellectual property rights of other parties.

BIL eG shall therefore

- not seek to obtain or make use of confidential information (including computer data) pertaining to a former employer of its employees.
- not run any unlicensed software on company computers.
- create copies of documents and material (including computer software) only to the extent that these are not subject to property rights or that BIL eG has been expressly authorized to do so.
- not intentionally use any content or trademarks owned by third parties (e.g. excerpts from audio/video recordings or from the Internet/broadcasting) for the production of its own content (including web sites on the Internet or intranet) without obtaining the consent of the copyright holder.
- not intentionally infringe upon the patent of a third party.
- nonetheless openly collect competition-related information from legitimate sources that are publicly accessible.

- **Compliance with laws and regulations**

BIL eG shall comply with all laws, external regulations and internal procedures relevant to reporting. BIL eG shall ensure that no business risks result in a violation of the applicable law or other provisions defined in the context of this code. If in doubt, external legal advice shall be sought prior to the implementation of a particular measure.

BIL eG shall fully cooperate with the appointed auditors, providing correct information to them and, upon request, granting them unlimited access (subject to legal limitations) to employees and records. Under no circumstances shall BIL eG remove or destroy records within the statutory retention periods.

- **Conflicts of interest**

Activities carried out on behalf of other companies or affiliations to another organizations may lead to conflicts of interest or at least a semblance of a conflict of interests. This also applies to relations with organizations or businesses seeking to become a customer or supplier to BIL eG.

All relationships to customers or suppliers that may potentially result in a conflict of interests, shall first be disclosed by BIL eG and the written approval of the board of management and/or the supervisory board shall be obtained.

The activities of close relatives may also lead to conflicts of interests. If BIL eG should discover that a close relative is employed by or provides services to a customer or supplier, BIL eG shall immediately inform the board of management and/or the supervisory board and consult on how to proceed. As a general rule, family members should not maintain business relations with employees, with colleagues from an employee's business unit or with an employee's direct reports. Furthermore, employees should never be in a position to recruit, supervise, or influence the terms of employment or the superiors of close relatives, regardless of whether the person in question is employed directly by BIL eG or commissioned by one of its contractors. Any exceptions to these rules must be expressly approved by the board of management.

Close relatives are: spouses or unmarried partners, parents, step parents, children, step children, siblings, step siblings, nephews, nieces, aunts, uncles, grandparents, grandchildren and in-laws.

Neither the personal nor the professional interests of employees must conflict with their employment by BIL eG. Employees shall not tarnish BIL eG's reputation through their actions, whether work-related or personal. The abuse of equipment owned by BIL eG is also prohibited. Even without malicious intent, the mere semblance of a conflict may have negative consequences.

If in doubt, possible conflicts of interest shall be disclosed to the board of management and/or the supervisory board.

- **Sideline employment and political activities**

BIL eG welcomes social and political activities on the part of its employees in all areas as long as they do not result in conflicts of interest as described above and as long as a sideline employment does not impair the employee's working capacity. Any non-insignificant sideline employment must be disclosed by employees and is subject to approval by the board of management and possibly the supervisory board.

- **Insider trading and passing on insider knowledge**

Employees of BIL eG may gain access to information concerning BIL eG or other companies before it is published, e.g. through a conversation coincidentally overheard or a memo left behind in the photocopier. Using such information to one's own financial or other advantage or passing it on to third parties constitutes a violation of BIL eG's company policies and possibly even the applicable law. This includes the buying or selling of shares of members of the cooperative on which crucial non-public information (insider knowledge) was obtained and passed on to third parties and used by them as a basis for their financial decisions.

- **Use of the company's tangible assets and resources**

BIL eG shall undertake to prevent any abuse of company property and to report any instance of abuse to the board of management and the supervisory board. The use of company equipment or facilities by employees of BIL eG for personal purposes shall be subject to approval by a superior and admissible only within the scope agreed in the contract of employment.

- **External communication**

Any dissemination of information regarding the company, whether official or unofficial, to journalists or analysts, shall first be consulted on by BIL eG on board level, possibly with the support of the supervisory board.

BIL eG shall be notified of any external communication, including members speaking at or participating in discussions at public events.

- **Sanctions and consequences**

Apart from personal consequences, any violation of this code of conduct may result in a disciplinary penalty, particularly in the event of a public prosecution of contraventions of law under the locally applicable labor law and company policies.

- **Who to address**

In any case of doubt, whether above-mentioned or not, questions may be addressed to the board of management and the members of the supervisory board of BIL eG at any time and independently from each other.