

DONAKO is a global player in technology connecting expertise as a producer and supplier of components for electrical machines in the electrical sector. Customized products for these technology intensive industries are the focus of interest, providing highest quality standards for any level of demand.


As a reliable partner we take responsibility for our attitude towards all our customers, suppliers, employees and other business partners in all of our dealings. Our Code of Conduct provides support for all DONAKO's employees to act responsibly in their business activities. It is the basis for the morally, ethically and legally correct attitude for all DONAKO's employees. Our employees are an essential part of our corporate success and play an important role to enhance our prestige and the trust placed in us. For this reason, we define unmistakable guidelines and principles for business ethics and morals, based on the following Code of Conduct. The Conduct below is therefore a fundamental part of our corporate culture.

INTRODUCTION AND PURPOSE OF THIS DOCUMENT

The company DONAKO Sp. z o.o. (hereinafter "DONAKO") is due to its national as well as international operations subject to various social, political and legal frameworks which must be strictly observed. Any violation of these frameworks, in particular a breach of the law or regulations of a given country, can have unwanted adverse financial effects for the company and can cause lasting damage to the reputation of DONAKO. This Code of Conduct is the foundation for all commercial activities and decisions within DONAKO. It is the basis for the morally, ethically and legally correct conduct for all employees of DONAKO. Any employee who violates laws, regulations, internal guidelines, rules, instructions or provisions of this Code of Conduct could be subject to disciplinary measures. Additionally, DONAKO will bring this Code of Conduct also to the attention of its business partners expecting that they will comply with the appropriate provisions of this guideline and will incorporate it in their business relationships accordingly. This Code of Conduct will be modified by resolution of the directors as necessary and may be supplemented by specific guidelines which may apply only to certain countries and regions.

SCOPE OF APPLICATION

This Code of Conduct applies to all employees of the DONAKO including directors and other executives of DONAKO (hereinafter the "employees") in all locations. Moreover, it is in the interest of DONAKO that it brings this Code of Conduct also to the attention of their key business partners (customers, suppliers, consultants etc.) and that, in selecting business partners, employees make adherence to the requirements of DONAKO's Code of Conduct or comparable compliance regulations to an integral part of their decision making. The management exemplify socially and ethically correct behavior that adheres to the rules and principles while acting as a role model for other employees. Management ensures that all staff is aware of the Code of Conduct and participates in the compliance trainings. Management assists staff in understanding and adhering to the Code of Conduct. Management is available as a trusted contact person for the employees to answer questions at all times. In case of non-compliance with the law or this Code of Conduct management takes the appropriate steps. Employees are familiar with the Code of Conduct and all relevant internal policies of DONAKO and follow the rules. Ignorance will not be accepted as an excuse for misconduct. No employee can be forced by a superior to violate the provision of this Code.



1. COMPLIANCE WITH LAWS AND INTERNATIONAL REGULATIONS

Irregular actions are not only illegal and unethical, but also lead to a serious loss of trust. It can be followed from sanctions and can result in claims for damages and loss of orders. Therefore, DONAKO complies with the legal regulations of all countries in which the Group is active. Every employee is obliged to be informed about the legal regulations applicable in his area of responsibility and to comply with them. In case of doubt, the responsible supervisor has to be contacted/consulted. Employees who violate the law, face individual prosecution. In some countries, however, the company itself can be held responsible too, if employees commit a crime in favor of the company. Import and export restrictions must be adhered to without exception and all necessary permits are to be applied for. Prohibited activities include refusing business with a boycotted country or with blacklisted persons for boycott-related reasons, providing information about any person's business relationships with a boycotted country or with blacklisted persons.

2. EQUALITY, RESPECT AND FAIR TREATMENT


Based on the UN Charter and the European Convention on Human Rights, human rights are viewed as fundamental values and therefore have to be always respected and observed by all employees. Nobody may be discriminated against or harassed because of their race, ethnic origin, skin color, religion, gender, or other characteristics. In particular, the selection or promotion of employees should be based solely on their qualifications. DONAKO ensures that all employees receive appropriate remuneration for their work and effort and that statutory provisions or agreements regarding working hours and minimum wages in the collective agreement are strictly observed. This applies to the prohibition of child and forced labor, the equal treatment of employees and the right to represent interests. These principles shall also apply to our attitude towards external partners. Therefore, in particular, we do not conclude any contracts with companies, for which we know that they: - violate human rights; - utilize or tolerate the employment of children or forced workers in the production or delivery of their products and services; - neglect other regulations that are intended to secure the employees' health and safety.

3. FAIR COMPETITION

Transparent and fair play in the market guarantees the interests and protects the competitiveness of DONAKO and its employees in the long run. Violations of national and international antitrust regulations can have serious consequences for the company. DONAKO is therefore in favor of fair and open competition. Anti-competitive behavior, such as agreements with competitors regarding price, production services, sales, tenders or market divisions, are not permitted. The abuse of a dominant position is also inadmissible. The company makes purchasing decisions solely based on the quality, delivery in time, price or services of the provider.

4. ANTI-CORRUPTION AND MONEY LAUNDERING

DONAKO wants to convince its customers and business partners of their products and services only due to comprehensive quality, never based on illegal and unfair business practices. Strictly prohibited is to offer or accept any kind of kickbacks or bribes. DONAKO also does not tolerate money laundering and all employees are strictly obliged to observe the anti-money laundering laws. Money laundering is the illegal process of making large amounts of money that appear to have come from a legitimate source. The money from this activity is considered dirty, and the process "launders" it to make it look clean, so legal. Suspicious forms of payment or transactions that indicate money laundering or dealing with boycotted



persons or countries, must be brought to the attention of the superior or the management immediately.

5. GIFTS AND INVITATIONS

Gifts and invitations can manipulate the ability to make decisions free of conflicts of interest. DONAKO therefore prohibits the offering or acceptance of gifts, hospitality, or other benefits, if this affects business in an inadmissible, unethical manner or even if only the impression of inadmissible influence could possibly arise. To maintain good business relationships, gifts of little value and moderate hospitality may be allowed, offered or accepted, but always within the framework of reasonable business practices. However, country-specific laws and customs are to be considered/observed. Excessive gifts must be immediately refused or returned. Offering or receiving money or pecuniary benefits is never allowed. This applies equally to dealing with offices, authorities and officials. Should an employee feel unsure about the behavior mentioned above, the responsible supervisor is to be consulted.

6. CONFLICT OF INTEREST


DONAKO expects unlimited loyalty from its employees. Decisions made by managers or employees are not influenced by private or personal interests or aspects. In the day-to-day routine/business it is possible for employees to find themselves in situations, in which their personal interests' conflict or even may conflict with the interests of the company. In these cases, employees are expected to work exclusively in the interest of the company or report the conflict of interest (e.g. secondary employment; business relationships with close relatives; managerial positions in other organizations). Every employee is obliged to report current or potential conflicts of interest to the respective supervisor immediately and without demand.

7. DONATIONS AND SPONSORING

DONAKO interacts with its environment in various ways to fulfill its social responsibilities. DONAKO is permitted to make donations of money specially to support humanitarian and social projects, cultural and scientific institutions as well as education. Donations may only be made on a voluntary basis and without expectation of gratitude or a return of any kind. Monetary payments to private accounts are never permitted. Such monetary payments are never allowed whatever the circumstances, neither to circumvent other provisions of the Code of Conduct nor any of the other DONAKO existent guidelines. DONAKO does not support politicians, political parties, organizations affiliated with political parties or precursor organizations that pursue political goals. Any questionable donations or other monetary 4 payments to political parties or other organizations must be approved upfront from the Supervisory Board of DONAKO company.

8. ENVIRONMENT AND CLIMATE POLICY

Sustainable production processes, the responsible handling of resources and the use of state-of-the-art technologies are an integral part of MC's corporate philosophy and operating activities. At the same time these parameters provide the basis for the company's claim to sustainable quality leadership in products and services. All aspects of the production chain are focused on making the most economical use of resources (particularly raw materials and energy) and minimizing the environmental effects of DONAKO's processes and products. Intensive research aimed at developing environmentally friendly processes and products, measures aimed at boosting efficiency, lowering emissions and achieving energy savings as well as transparent and efficient environmental management enables DONAKO to mitigate the environmental impact of its processes and products in the long term.



9. WORKPLACE SAFETY

The safety and health of its employees are key concerns of DONAKO. The company's successful health & safety culture is rooted in continual improvements of the work environment as well as a range of preventive and health programs. All employees must promote safety and health at their workplace and observe safety standards as well as the guidelines and regulations regarding occupational health and safety. DONAKO secures that the safety of each employee in the working environment is guaranteed. The consumption of alcohol and other illegal drugs is not permitted during working hours.

10. PROTECTION OF MATERIAL AND INTELLECTUAL PROPERTY

All employees of DONAKO are called upon to protect the material and intellectual company property and to use the provided resources appropriately and with care. Assets made available by each company may only be used for business purposes. The use of assets for any other purposes may not be allowed without a prior written approval. DONAKO expects from its employees that business information of commercial or technical nature, from each company or from business partners, which has not been made public, is to be treated as strictly confidential. That applies to patents, granted by one of the companies included in the Group likewise are business secrets from competitors to be respected by all employees.

11. INTEGRITY AND COMMUNICATION

No business partner of each DONAKO group company may be deceived about facts in legal dealings. If DONAKO employees make statements to business partners, the content must be correct. All verbal and written statements and information which affect the company in public are to be made exclusively via directors (of the company) or are released by them. Every employee must observe strict confidentiality with respect to trade secrets and cannot utilize these secrets to receive an economic benefit for him/herself or others. Confidential corporate and market information with respect to DONAKO must NOT be communicated to third parties – neither to competitors nor friends or family members. Similarly, employees are not permitted to obtain trade secrets from competitors without authorization.

12. PERSONAL DATA

DONAKO treats personal data from the employees and contractual partners strictly confidential in accordance with existing legal norms for the protection of personal data. A case of exception is to the extent specified by law.

13. VIOLATION OF THE CODE OF CONDUCT

DONAKO's employees may become aware of violations of this Code of Conduct. In particular, by guiding the employees based on this Code of Conduct, more specific by continuous monitoring compliance with the legal provisions and by regular communicating about possible issues and their consequences. All reports about compliance related issues sent to management or to compliance officers are to be carefully investigated and, upon request, treated confidentially. Employees shall not suffer adverse consequences of any kind due to following this Code of Conduct. This shall also apply to other persons who contribute material information to any investigation of any misconduct. DONAKO expressly reserves the right to take disciplinary action against employees who make false accusations willful or due to gross negligence.

