

# Compliance Code

## **WHY DO WE HAVE A COMPLIANCE CODE?**

The Masterfoam Compliance Code is the foundation of our commitment to act with integrity and in compliance with the laws and regulations that apply to our European operations. It is designed to assist you in recognizing and dealing with ethical issues and guide you to the right course of action.

While the Code sets forth general guidelines of business practices and procedures, it does not purport to capture every law or policy that applies to each of us. We are responsible for knowing the laws and regulations of the jurisdictions in which we operate and for understanding the basic principles of the Code and conducting ourselves accordingly.

## **WHO MUST FOLLOW OUR CODE?**

All employees, team leader, directors, or agents of Masterfoam must know and comply with all the Company policies and legal requirements as it relates to your job. As a European business, we are subject to the laws and regulations of all the countries in which we operate, and each of us has a responsibility to know and follow the local laws that apply. In cases where local laws differ from our Code, you are encouraged to ask for guidance from the Masterfoam Management.

## **WHAT YOU SHOULD DO IF YOU KNOW OR SUSPECT A VIOLATION OF OUR CODE?**

All Employees have an obligation to report any potential or suspected violation of the Code to the Managing Director.

We do not tolerate retaliation against any Employee who reports a complaint in good faith. Any Employee who retaliates against someone who has reported a Complaint in good faith or made a statement in good faith in a complaint investigation process, is subject to disciplinary action up to and including termination of employment. Should you or any Employee feel you have experienced retaliation, please refer to the Management Director.

## **Compliance with Laws and Regulations**

As a European company with relationships in several countries in Europe, Masterfoam is committed to maintaining high standards of business conduct in all regions in which we operate. We expect all Employees to conduct our business in accordance with applicable laws, rules, and regulations and in an ethical manner. Obeying the law, both in letter and in spirit, is the foundation on which our ethical standards are built. You must respect and obey the laws of the cities, states, and countries in which the Companies operate. Although you are not expected to know the details of all applicable laws, it is important to know enough to determine when to seek advice from your supervisor, Human Resource representative or other appropriate department. All transactions between Masterfoam and any of its subsidiaries, or between subsidiaries, must meet all applicable legal requirements. Violations of these laws can result in substantial fines, imprisonment, and severe restrictions on the Company's ability to do business.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or practice conflicts with this Code, you must comply with this Code. If you have any

questions about potential conflicts, please seek assistance from your supervisor or other appropriate Masterfoam personnel. Any questions regarding applicable legal requirements should be referred to the Managing Director.

## Reporting Concerns

Integrity is at the core of our identity and reputation, and we are all responsible for performing with integrity in everything we do. We are also responsible for raising concerns about risks to the Company — ideally, before these risks become actual problems.  
Compliance and Ethics L

### Anti-Retaliation

No one who reports a Compliance and Ethics issue in good faith shall suffer harassment, retaliation, or adverse employment consequence because of reporting the issue. This includes any attempt to prevent an employee from reporting a concern or participating in an investigation.

**Masterfoam will not tolerate retaliation against anyone who in good faith raises a concern, reports misconduct, or participates in an investigation.**

You are required to strictly adhere to the Company's Anti-Retaliation Policy to encourage:

- The reporting of any suspected illegal or unethical behavior
- The full cooperation and participation in the investigation of any reported concern
- Full compliance with the Code and all applicable laws and regulations

## Conflict of interest

All Employees are expected to avoid engaging in activities that conflict with, or have the appearance of conflicting with, the best interest of the Company and its shareholders. A conflict situation can arise when an employee takes actions or has interests that may make it difficult for the individual to perform work for the company objectively and effectively.

Example of potential conflicts of interest include:

An Employee, or immediate family member, which includes your spouse; parents or stepparents, children, and stepchildren; siblings; mothers and fathers-in-law, sons and daughters-in-law, and brothers and sisters-in-law and any other person (other than tenants or employees) sharing your household, receives improper personal benefits because of such individual's position in or relationship to the Company

- Loans to an Employee and/or his or her immediate family members by a supplier or customer of the Company
- An Employee works simultaneously as an employee of a competitor, customer, or supplier of the Company
- An Employee works for a competitor as a consultant or board member (or in an equivalent position)
- An Employee attempts to influence the selection of a particular vendor or supplier where a family member has a financial interest in such vendor or supplier

Conflicts of interest are not always apparent. You should consult with your supervisor, local Human Resource representative or the Management Director if there is any question about a

potential conflict. Prompt and full disclosure is always the appropriate first step towards identifying and resolving any potential conflict of interest problem. If you become aware of an actual or potential conflict of interest, you should bring it to the attention of your supervisor and/ or the Managing Director.

### **Gifts and Entertainment**

Gifts and entertainment in a business environment may sometimes be appropriate to promote good working relationships. However, you cannot give or accept gifts, credits, payments, services, excessive entertainment, or anything else of value from an actual or potential competitor, supplier or customer unless such gift complies the Gifts and Entertainment Policy stated below.

If you have any questions about a gift given or received, you are encouraged to contact the Managing Director

The key provisions of this Policy are:

- Cash gifts are prohibited
- Gifts cannot exceed 35, - Euro or a comparable value in your local currency, per person, per occasion
- The appropriateness of giving or receiving entertainment must be approved in advance by your Supervisor or Managing Director
- Under no circumstances should any gift or entertainment given or received violate this Code or applicable laws and regulations
- All Gifts and Entertainment to any government official must be pre-approved by the Managing Director

We can't specifically address all possible situations. Always consider the context, nature and intent of the gift or entertainment when determining what is appropriate, reasonable, and justified.

### **Political Contributions**

No Employee may make any political contribution of any kind in the name of the Company. Furthermore, you cannot require, nor should you request, a supplier or vendor of Masterfoam to make a political contribution of any kind as a condition of doing business with the Company. As an Employee, you are free to make a personal political contribution or engage in personal political activities so long as such contributions or activities are lawful, do not interfere with your work responsibilities or give the appearance of a conflict of interest.

### **Corporate Opportunities**

No Employee may use Company assets, property, information, or position for improper personal gain, including the gain of family members or friends. We all owe a duty to the Company to advance the Company's legitimate interests whenever the opportunity to do so arises.

### **Competition and Antitrust**

Competition and Antitrust laws protect free enterprise and encourage fair and honest competition. At Masterfoam, we seek competitive advantages through superior performance, never through unethical or illegal practices. Stealing or illegally appropriating proprietary information or inducing disclosures by past or present employees of other companies is prohibited. If you

improperly obtain proprietary information from competitors, suppliers or other third parties, you should treat that information as confidential and not use it for improper business purposes. In addition, you should promptly report the situation to the Managing Director.

You are expected to comply with applicable domestic and international antitrust and competition laws. Engaging in, conspiring to, or agreeing to do any of the following actions may be prohibited:

- Price Fixing - communicating with competitor(s) regarding prices, terms or conditions of sale, output, or production
- Bid Rigging - agreeing with competitor(s) regarding bids to be submitted
- Group Boycott - agreeing with competitor(s) not to deal with vendors or distributors, other competitors, or customers
- Territory or Customer Allocation - agreeing with competitor(s) to split territories or customers
- Bribes or Kickbacks - offering to pay bribes or kickbacks to do any of the above

The above list is not intended to be exhaustive but, rather, an illustration of certain types of conduct that constitute illegal antitrust behavior.

### **Confidential and Proprietary Information**

During your employment with Masterfoam you may obtain confidential and/or proprietary information about the Company, its customers, or suppliers.

Confidential information includes, without limitation, all non-public information such as:

- Financial Results
- Prospects
- Agreements
- Commodity price forecasts
- Potential corporate transactions
- Commercial terms and conditions

Proprietary information, which includes know-how and other intellectual property, business, sales, marketing and service plans, engineering and manufacturing ideas and practices, designs, databases, records, salary and other compensation and benefit information, as well as any unpublished financial data and reports, must be protected from unauthorized use or disclosure. Unauthorized use or disclosure of Masterfoam's proprietary information may be illegal and could result in the imposition of civil or criminal penalties.

It is the responsibility of every Employee during and after their employment period to protect and not disclose confidential information except when disclosure is authorized by the Company or legally required. You should not discuss internal Company matters or developments with anyone outside of the Company except as required in the performance of your regular Company duties or under applicable laws.

We must always respect and protect the information of our customers, suppliers, and other Employees with the same level of care that the Company take to ensure the confidentiality of its own proprietary information.

Failure to follow these procedures could result in severe penalties to both the Employee involved and Masterfoam.

### **Protection and Proper Use of Company Assets**

You have an obligation to protect the Company's assets and ensure their efficient use. Company assets should be used for legitimate business purposes although reasonable personal use may be permitted. Company assets include both tangible assets, such as office equipment, telephone and copy machines and intangible assets, such as intellectual property, trademarks, patents, and trade secrets.

Employees are provided with computers, electronic resources, and other equipment to do their jobs. Masterfoam's electronic and computing resources are Masterfoam's property and should primarily be used for Company purposes. Equipment such as computers and other electronic media must not be used for unlawful purposes or for accessing or distributing pornographic or illegal materials or other materials that might create a hostile work environment for others.

Accordingly, any suspected incident of fraud, theft, waste, or misuse of the Company's assets should be immediately reported as described to the Managing Director.

**Accurate Business and Financial Records** Accurate business and financial records are critical to meeting our financial, legal, and business obligations. The Company's financial books, records, accounts, and financial statements must be timely maintained in reasonable detail and must completely and accurately reflect the Company's assets, liabilities, and transactions, conforming to applicable legal requirements, financial policies and procedures of the Company's internal controls systems and generally accepted accounting principles. These businesses and the financial records not only include financial statements and accounts but also other records such as time reports, expense reports and claim forms. All of us, not just Masterfoam's accounting and finance personnel are responsible for ensuring accurate and complete business and financial records. No transaction may be carried out in a manner such that the substance of the transaction is obscured or recorded improperly. We have a responsibility to maintain the accuracy of the Company's records. False or misleading information should never be provided to any department. If an Employee has any concerns with accounting or auditing matters, such as inaccurate, false, or misleading information, the Employee should promptly report to the Managing Director.

Examples of inaccuracies include:

- Exaggeration of financial transactions
- Improper characterizations of people, events, and companies

This prohibition applies to, but is not limited to, e-mail, electronic media, internal memoranda, formal reports as well as business letters. E-mail systems and information technology systems provided by Masterfoam should be used only to advance the Company's legitimate business purposes.

## **Environmental, Health and Safety**

We are committed to complying with all applicable environmental legal requirements and protecting the environment. Employees are expected to comply with all applicable environmental legal requirements and report any incidents or conditions that might result in a violation of law or Company policy. Employees are also encouraged to support environmental programs in communities where we do business. The Company strives to provide each Employee with a safe and healthful work environment. Each Employee has responsibility for maintaining a safe and healthy workplace for all Employees by following health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices, or conditions.

Violence or threatening behavior is not permitted under any circumstances in the workplace. Employees should report to work in condition to perform their duties and must be free from the influence of illegal drugs and alcohol. The use of illegal drugs or the misuse of alcohol or legally prescribed drugs in the workplace will not be tolerated.

The Company has adopted Global Labor Standards which prohibits the Company from using any type of forced labor or child labor or engaging in abusive or corrupt business practices. In addition, the future Company's Global Purchasing Terms and Conditions will prohibit all its suppliers and their subcontractors from using any type of forced labor or child labor or engaging in abusive or corrupt business practices for all regions in which Masterfoam has operations.

We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment.

### **Your Pledge to Do the Right Thing!**

Masterfoam's Compliance Code represents a commitment to doing what is right. When you work at or for Masterfoam you agree to uphold this commitment, understand the standards and guidelines that apply to your job and always follow them. Employees who fail to follow these standards, or who fail to abide with applicable laws, rules, and regulations in all regions in which Masterfoam operates, put themselves and Masterfoam at risk.

Udo Storck  
Managing Director



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