

Translation

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LCI GL Guideline Compliance

This guideline lays down essential rules of conduct for LEDVANCE employees. It supplements and specifies the basic principles set out in the Code of Conduct.

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1 Compliance at LEDVANCE

For LEDVANCE, Compliance means that we comply with the laws of all countries in which we do business, as well as with our internal guidelines, in particular the LEDVANCE Code of Conduct.

The mission and goal of the Compliance organization is to promote a corporate culture that prevents criminal and punitive infringements, avoiding sanctions, financial losses and reputational damage to the company and its employees¹.

For this purpose, the Compliance organization has developed a binding Compliance Management System (CMS) for the entire LEDVANCE Group ² and continuously adapts it to the needs of the business and the legal framework. The CMS is designed to prevent violations through the use of internal policies and training, reveal breaches that have already occurred, and, if necessary, take action to respond to the individual cases and prevent future similar incidents (prevent - detect - respond). Due to their importance for the Group and to the fulfillment of the supervisory duties within the company, anti-corruption and antitrust law are at the center of the CMS.

Organizationally, dedicated employees in the regions and in headquarters uphold the CMS. These employees have a functional reporting line to the Chief Compliance Officer who, in turn, has a functional reporting line to the Management board and is assigned to the General Counsel.

2 Compliance System: Prevent

Effective prevention is ensured by implementing internal guidelines, training and communication measures as well as by integrating Compliance requirements into work processes and day-to-day work.

2.1 Fighting Corruption

Prohibition of active corruption

Corruption has an adverse effect upon democracy, the rule of law, and economic development. All jurisdictions worldwide prohibit bribery of their public officials to avoid a corruption-related loss of confidence in the objectivity of their public administration. Many jurisdictions seek to prevent distortions of competition and the associated losses of efficiency by also prohibiting corruption in the private sector. LEDVANCE is fully committed to the fight against corruption in the public as well as in the private sectors.

Consequently, and without any exception, employees may not offer, promise or grant any financial or other benefits to business partners, customers, suppliers, government officials or any related persons, or authorize such actions with the intention of affecting an action or omission by the recipient. This applies regardless of whether the recipient acts in breach of duty or not.

It makes no difference whether the advantage is granted to the recipient directly or indirectly through a third party. It is also irrelevant whether the recipient himself or a person close to him/her benefits (e.g. the life partner, a family member, etc.). It is also forbidden to offer, promise or grant any benefits that may be considered an attempt to improperly influence the decisions of a business partner or government official.

Prohibition of passive corruption

When tasked with business decisions, LEDVANCE employees must consider exclusively the best interest of the company and must not let themselves be influenced by the offer, promise or grant of personal benefits from suppliers or other business partners. Equally, LEDVANCE employees must not use their professional function or position to solicit personal benefits from suppliers or other business partners.

2.2 Fraud and Theft

LEDVANCE prohibits any form of fraud and theft.

¹ In order to simplify reading, the term "employee" stands for both female and male employees, managers and board members of the LEDVANCE GmbH and its affiliated companies and subsidiaries.

² The term "LEDVANCE" refers to the LEDVANCE GmbH and its affiliated companies and subsidiaries.

To prevent fraud and theft, all employees must:

- Respect and protect LEDVANCE's and others' property;
- Handle LEDVANCE's and others' property appropriately and properly in all business activities, e.g., handle product samples appropriately and in accordance with any more specific requirements;
- Comply with applicable laws and established regulations designed to prevent or detect fraud and theft; and
- Be alert to unusual business activity that may indicate fraud or theft.

2.3 Providing Benefits without Consideration

Providing benefits to third parties without consideration in return (gifts, invitations, the assumption of costs, etc.) and accepting similar benefits is common in everyday business. Accordingly, LEDVANCE does not prohibit its employees from providing or accepting benefits. In the context of commercial transactions, however, such benefits may carry certain legal risks. LEDVANCE employees must therefore observe the following principles before offering, promising, or granting a benefit, as well as before accepting a benefit offered.

2.3.1 General Principles

In principle, each employee may decide autonomously whether to offer a benefit to a third party or whether to accept such benefit from a third party.

The following principles must be observed:

- The benefit must be permitted by local laws, regulations and policies;
- The benefit must not be provided or received in exchange for an improper advantage;
- The nature, value and frequency of the benefit must be appropriate to the occasion on which it is given and to the position and circumstances of the recipient;
- The benefit must be provided or received in a transparent manner – that is, it must be visible and auditable.

Each employee should always consider whether the recipient could misinterpret the offer as an attempt to influence his/her decision, or whether an outside observer would infer unfair intentions.

Before accepting a benefit, each employee should consider whether the grantor is linking the expectation that a business decision will be in his/her favor, or giving third parties, such as colleagues, the impression that s/he is influencing the donor.

2.3.2 Meal Invitations and Gifts

Meal invitations and gifts (and similar benefits³) to external third parties are permitted in Compliance with the general principles (2.2.1). Employees can check such benefits themselves with the scorecard valid for the location where the benefit is provided. These are available in the [Compliance intranet](#).

If the result of the scorecard requires consulting the relevant Compliance Officer, the latter will assess the proposed benefit in detail and advise the employee on potentially required modifications.

If the recipient's employer has issued specific regulations for the acceptance of benefits of which LEDVANCE is aware and which are stricter than LEDVANCE's policies, for example by introducing strict monetary thresholds, then these stricter regulations must be observed. This is to avoid having the recipient face the dilemma of choosing between following internal rules and the client relationship.

Gifts of money are prohibited per se, unless the relevant Compliance Officer approved them in writing and in advance. This also applies to money equivalents such as vouchers and checks. Standard, local cash donations may only be granted on the basis of local regulations approved by the Chief Compliance Officer.

³ For example, internships or summer jobs for children and relatives.

2.3.3 Acceptance of Benefits

Employees can assess the acceptance of all benefits themselves using the acceptance scorecard valid at the location where the benefit is offered. The current versions of these acceptance scorecards are available on the [Compliance intranet](#).

If the result of the scorecard suggests consulting the relevant Compliance Officer, the latter will assess the proposed benefit in detail upon request.

Employees are prohibited from accepting gifts of money unless they have obtained prior written approval from the responsible Compliance Officer. This also applies to money equivalents such as vouchers and checks. Standard local cash donations may only be accepted on the basis of a local regulation approved by the Chief Compliance Officer.

2.3.4 Entertainment Events / Travel and Accommodation Costs

Any invitation to an entertainment event made to a third party, as well as the payment of his travel and/or accommodation expenses requires prior approval.

The payment of travel costs will not require approval if the one-way trip does not exceed 100 kilometers. The same applies if the recipient is offered a ride in a company car, rented car or private car, regardless of the travel distance.

Approval is also not required if the participation at an entertainment event and the payment of travel and accommodation expenses is part of a contractual agreement between LEDVANCE and a third party, and the participation and travel are necessary for the latter to perform his contractual services.

To carry out the approval process, invitations as well as the payment of travel and accommodation expenses must be registered in the [Compliance Approval Tool \(CAT\)](#). The employee who extends the invitation or offers cost payment must obtain the necessary approval and ensure that the necessary documentation exists. Approval vouchers obtained during a CAT approval process must be attached to the accounting documentation. Before approving an expenditure or expense reimbursement, the payment approver must verify that a CAT approval has been obtained. Further details on the approval process in CAT can be found in the [User Manual](#).

2.3.5 Strategic Contributions without Consideration

Strategic contributions without consideration may only be offered, promised or granted to unaffiliated third parties if they serve a clearly defined and permissible business purpose, such as maintaining an existing business relationship, initiating business or other important business matters. Examples for such contributions are:

- Financial support for the yearly employee event of a supplier;
- Providing free LEDVANCE products for a customer's employee raffle;
- Financial contribution towards the organization of a trade association meeting.

Each strategic contribution requires prior approval and registration in CAT. The employee who intends to make the contribution must obtain the necessary approval and ensure that the necessary documentation exists. Approval vouchers obtained during a CAT approval process must be attached to the accounting documentation. Before approving an expenditure or expense reimbursement, the payment approver must verify that a CAT approval has been obtained. Further details on the approval process in CAT can be found in the [User Manual](#).

In all contracts signed by LEDVANCE, in particular service agreements, a fair balance between the value and the costs of the contractual services must be maintained. If the costs for the work performed are not reasonable, the payment made by LEDVANCE is considered a strategic contribution to the contractual partner, which requires approval.

2.3.6 Donations

Making donations for charitable purposes is part of LEDVANCE's company culture. Due to its strong communicative element, Corporate Communications is responsible for determining which donations can be made under what conditions, and for which purposes.

From a Compliance perspective, donations must additionally observe the following principles:

- Donations may not be made to individual recipients;

- Donations may not be made in cash;
- Except for duly justified cases, donations may not be paid to accounts other than that of the recipient.

2.4 Cooperation with Business Partners

Cooperation with business partners is part of LEDVANCE's operations and often essential in order to reach certain markets. However, under certain circumstances, LEDVANCE may also be held responsible for the actions of these business partners. Therefore, before entering into a business relationship with a business partner, the following steps are required:

2.4.1 Business Partner Check

Each LEDVANCE unit must evaluate independently whether its relationship with a specific business partner is subject to the Business Partner Compliance Process.

This is the case with Business partners who:

- A) act in the interest of, or on behalf of a LEDVANCE entity to influence decisions or the conduct of a third party in favor of LEDVANCE, for which it receives remuneration or other value-added services (including discounts) (e.g. business consultants, sales agents, customs agents, lobbyists).
- B) purchase products or services from LEDVANCE and resell them to third parties on their own account (e.g. resellers, distributors, system integrators or engineering, procurement and construction (EPC) contractors), provided that at least one of the following red flags exists:
 - The business partner receives payments or other financial benefits from LEDVANCE that exceed amounts appropriate in the relevant industry or country;
 - The payment terms or other business terms granted to the business partner are not typical for the relevant industry or country;
 - The LEDVANCE unit dictates or influences the agreements between the business partner and a third party;
 - A third party – for example, an end customer – requires LEDVANCE to make use of a particular business partner to do business with it;
 - Any other red flag regarding the business partner's integrity.

If the Business Partner Compliance Process applies, the LEDVANCE unit must complete a Compliance Due Diligence in the Business Partner Compliance Tool (BPCT) and include the binding contract provisions in the contract with the business partner.

For more details, see Annex 1: Cooperation with Business Partners.

2.4.2 Payments to Business Partners

Payments to a business partner may only be made on the bank account specified in the contract.

2.4.3 Management Responsibility and Monitoring

Each head of a LEDVANCE unit must ensure within his or her area of responsibility that business partners are carefully selected in accordance with these provisions and that continuous monitoring takes place during the business relationship.

If red flags are raised in the course of a business relationship that call into question the integrity of the business partner, the responsible LEDVANCE unit - in cooperation with the responsible Compliance Officer – must take appropriate measures.

2.5 Incentives

Incentives are granted to customers depending on their specific purchase volumes of LEDVANCE products and are therefore closely connected to the sales agreements between LEDVANCE and the customer.

Although incentives should ultimately benefit certain customer employees as a rule, they are benefits from LEDVANCE to the customer only. The customer alone decides how to distribute the incentives to its employees.

From LEDVANCE's point of view, incentives are rebates or bonuses that reduce its sales. Therefore, these may only be granted under the following conditions:

- Written agreement (incentive agreement⁴) including at least the following items:
 - achievement target;
 - the amount and type of incentive(s); and
 - their recipient.
- LEDVANCE's contract partner is exclusively the respective customer;
- The incentives may only be delivered to the customer's business address and to the attention of the person listed in the incentive agreement. The delivery must be recorded by appropriate means (receipt, proof of delivery);
- The amount or value of the incentive(s) may not exceed the amount of a rebate or bonus which would be granted to a customer in similar circumstances and for a similar achievement;
- The agreed upon achievement targets must require additional effort by the customer ("real incentive"). Targets that will be easily achieved, or the achievement of which is highly likely, are not allowed. In that case, the incentive will be considered a strategic contribution to the customer, requiring approval (2.2.5).

2.6 Conflicts of Interest

Conflicts of interest arise when the personal interests of an employee collide with LEDVANCE's interests in the context of business dealings. Such personal interests could be of a monetary (e.g. stakes in other companies, sideline work, business relationships, gifts and hospitality, other benefits), familiar (kinship) or social nature (friendship, dependencies, coercion).

In order to avoid conflicts of interest, every employee is required to communicate to his/her manager any personal interests that might conflict with the performance of his/her official duties. The line manager identifies appropriate measures, in coordination with HR, to avoid a conflict of interest.

Employees should be careful not to create the appearance of a conflict of interest by their behavior. Accepting benefits from a business partner might give the impression that the employee is being influenced in his/her business decisions. In particular:

- Employees may not accept personal rebates offered by business partners or LEDVANCE's competitors because of their employment at LEDVANCE. Exceptions apply only to official employee rebates.
- If his/her professional duties allow an employee to directly or indirectly influence the award of contracts to specific suppliers, such employee must disclose to his/her manager any private business relationship with these companies prior to his/her involvement in the respective contract award decision. The manager decides on suitable measures, in coordination with the purchasing department.

2.7 Antitrust Law

Violations of antitrust law are very serious: they are punishable by significant prison sentences in many jurisdictions. They can result in enormous risks for the company and its employees including fines, damage awards and reputational harm. The growing enforcement activities of antitrust authorities around the world, and the introduction of new antitrust rules in a steadily growing number of countries have increased existing risks significantly.

Senior management and line managers must ensure that, in accordance with their statutory organizational and supervisory obligations, no violations of antitrust law are committed, and that damage is averted from the company and its employees. Employees must be aware of antitrust-related risks, comply with applicable antitrust rules and consult the responsible Compliance Officer in case of any doubt.

Further information on the requirements of antitrust law can be found in the [Antitrust Guide](#).

⁴ A written incentive agreement is unnecessary if the value of the incentive(s) per year is below EUR 1000 and the respective LEDVANCE unit records the agreement between the parties.

2.8 Anti-Money Laundering (AML)

Money laundering refers to the transfer of illegally acquired money or assets into the legal financial and economic cycle, with the aim of disguising their origin. The "washing" assets come from illegal activities such as corruption, bribery, robbery, extortion, drug trafficking, arms trafficking or tax evasion. Money laundering is a crime in almost every country worldwide.

In order to meet its legal requirements, LEDVANCE is required to train its employees on the nature of money laundering and typical manifestations, legal requirements, and internal measures and controls. Employees must be able to identify a potential money laundering incident and report it internally so that the company can meet its obligation to submit a so-called "suspicious transaction report" to the appropriate authorities.

In certain cases, employees are expected to identify the owners of an organization classified as a business partner. This is the original person (s) who owns or controls the business partner, at whose request a transaction was ultimately carried out, or by whom a business relationship was ultimately established.

If a business relationship directly or indirectly includes a political person -- someone who holds or has held an important public office (e.g. Heads of State, Members of Parliament, judges, central bank governors, ambassadors, etc.), as well as their immediate and extended family members -- then that circumstance shall be reported to the Compliance organization, ideally before the conclusion of a contract agreement.

For more details, see Annex 2: Anti-Money Laundering.

3 Compliance System: Detect and Respond

Remark for LEDVANCE SK employees: For additional special rules pursuant to Section 10 (1) of Act No. 54/2019 Coll. on Protection of Whistleblowers Reporting Anti-Social Activity and on Change and Amendment of Certain Acts, as amended (the "Slovak Whistleblowing Act") for LEDVANCE s.r.o. with its registered seat in Nitra in Slovakia, ID No. 50 197 011, please refer to Appendix 5 "Additional special rules for LEDVANCE SK" of this guideline.

3.1 Reporting and Handling of Compliance Cases

LEDVANCE expects employees to comply with laws and internal guidelines and to prevent violations by providing a fair and exemplary attitude and to quickly report Compliance cases. The below-listed matters are examples of Compliance cases:

- Any plausible allegation of a violation of criminal or administrative law relating to LEDVANCE's business or internal policies (e. g. LEDVANCE Code of Conduct).
- All impending or current criminal or administrative proceedings – as well as any related requests for information – against LEDVANCE or employees (as part of their job).
- All administrative procedures that may lead to a sanction against LEDVANCE or employees (as part of their job).
- Any potential breaches of bookkeeping and accounting rules.
- All information regarding intentionally false reporting of Compliance cases as well as retaliation taken against informants.

Reporting

A report may be made anonymously or with disclosure of identity. Each employee may file reports via the following channels:

- their line manager;
- the relevant Compliance Officer;
- the "LEDVANCE Integrity Line (LILi)".

Compliance cases may also be reported directly to the Chief Compliance Officer or any another employee of the Compliance organization.

In general, reporting of Compliance cases by informants is voluntary. A labor law obligation to report Compliance violations may exist whenever an employee realizes that an activity constitutes a criminal offense or may lead to severe damage for LEDVANCE or third parties, or if the employment contract obliges the employee to report due to his/her particular responsibility in connection with his/her position or tasks. This does not apply if the employee is relieved from a duty to report such case based on the applicable local law or has a right to refuse to give evidence / to provide information in accordance with statutory provisions.

An employee who has reported a Compliance case in good faith must not suffer any disadvantage by the company. Retaliation of any kind is prohibited and must be stopped immediately.

Investigation Process

If a reported case is a Compliance case, the plausibility and substantiation of the related allegations will be reviewed by the Compliance organization. If the allegations are plausible and credible, an investigation will be initiated.

Investigations of Compliance cases are generally assigned to the Corporate Compliance Officer. If required, the (locally) responsible Compliance Officer will provide support. All LEDVANCE units, specialist departments and employees must fully support Compliance investigations in all phases. You are required, as legally permissible, to grant access to information within the company. The Compliance organization will check the legal admissibility in advance. This applies, in particular, for:

- interviews with employees;
- collection and securing of documents and other written information;
- collection and analysis of electronic data.

Conclusion of an Investigation

After concluding the investigation, a closing note or an investigation report will be issued for all relevant (major) cases. Compliance will monitor the implementation of any recommendations offered by the respective functional department.

Subjects of an investigation will be informed only about the findings and recommendations relevant to them. They will not be granted access to the report.

Disciplinary Consequences of Compliance Violations

In the event of a Compliance violation, every employee must expect disciplinary consequences for the breach of his/her employment contract, regardless of eventual penalties imposed by law. The supervisor of the affected employee decides on the disciplinary consequences to be imposed, based on the investigation report and after consultation with HR and the Compliance organization. The Compliance organization pays particular attention to the application of defined standards and uniform decision standards, will treat all affected employees equally and fairly, and will provide them with appropriate disciplinary measures.

For more details, see Appendix 3: Reporting and Handling of Compliance Cases.

3.2 Rules of Conduct for Search of Business Premises (Dawn Raid)

In the course of doing business, any company may face a situation in which authorities seek access to its premises under the framework of investigative measures. In particular, public prosecutors, antitrust agencies, local police, and customs and tax authorities have such access rights.

It is in the interest of LEDVANCE to cooperate with the investigating authorities. Employees are always asked not to obstruct investigations and to behave courteously and respectfully towards the government officials, while at the same time safeguarding company interests. Misconduct during a search may seriously jeopardize the company's position.

For more details, see Appendix 4: Conduct during the Search of Business Premises (Dawn Raids).

4 Management, Responsibility and Supervision

Every single employee is responsible for complying with statutory provisions and internal guidelines; they are expected to withhold the company's core values and to promote a culture of Compliance throughout the entire organization, and they have the support of the Compliance organization.

- Every manager must emphasize the importance of Compliance and Integrity in daily business, to make it a topic of discussion on a regular basis and to exemplify and promote it through personal leadership. This means Specifically that managers must be responsive and accessible in addressing Compliance-related questions from their employees (duty to give instructions);
- They must conduct Compliance Review Board (CRB) meetings on a regular basis, during which the responsible Compliance Officer informs them about relevant developments, in particular about the status and progress of Compliance cases in their areas of responsibility (duty of monitoring);
- They must transfer Compliance-relevant tasks within their areas of responsibility to suitable employees and keep track of their timely and comprehensive content (duties of selection and monitoring);
- They must clearly and consistently point out to their employees that Compliance with laws and internal policies has top priority over economic considerations in all circumstances and at all times, and therefore LEDVANCE would decline certain business opportunities rather than engage in any unlawful or unethical transaction (duty of communication);
- They need to make sure their employees know the Compliance requirements. In particular, they must ensure that employees participate in the appropriate training to the extent required (duty of communication).

This does not relieve employees from their own responsibility for complying with the binding Compliance requirements.

Annex

1 Appendices to the document (A), references to other documents (R)

| No. (A/R) | Document title | Source/ storage location |
|--------------|-------------------------------------------------------------|--------------------------|
| A1 | Cooperation with Business Partners | Sharepoint |
| A2 | Anti-Money Laundering | Sharepoint |
| A3 | Handling and Reporting of Compliance Cases | Sharepoint |
| A4 | Conduct during the Search of Business Premises (Dawn Raids) | Sharepoint |
| R1 | LEDVANCE Code of Conduct | Sharepoint |
| R2 | Compliance Approval Tool (CAT) | Intranet |
| R3 | Business Partner Compliance Tool (BPCT) | Intranet |
| R4 | Scorecards (Gifts & Entertainment) | Intranet |
| R5 | LEDVANCE Integrity Line (LILi) | Intranet |

2 Document history

Changes of previous versions are shaded in gray.

| Version | Short description of changes | Process Expert |
|---------|------------------------------|---------------------|
| 00 | New | Stefan Geissdoerfer |
| 1.0 | Revised | Stefan Geissdoerfer |
| 4.0 | Review, new chapter 2.2 | Stefan Geißdörfer |
| | | |

3 Terms

n/a