



Assurance engagement regarding the appropriateness and implementation of the compliance management system

INDEPENDENT ASSURANCE REPORT

KAEFER SE & Co. KG
Bremen, Germany

until 20 February 2022: KAEFER Isoliertechnik GmbH & Co.
Kommanditgesellschaft, Bremen, Germany

Delineated areas of anti-corruption, antitrust and fraud
as at 31 March 2023

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Please note that for computational reasons, rounding differences to the exact mathematical figures (monetary units, percentages, etc.) may occur.

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1 Assurance engagement

With engagement letter dated 12 January 2023, the Executive Board of

KAEFER SE & Co. KG, Bremen

(until 20 February 2022: KAEFER Isoliertechnik GmbH & Co. Kommanditgesellschaft, Bremen),

– hereinafter also referred to as “KAEFER Group” or the “entity” –

has engaged us to perform a reasonable assurance engagement on the description of the compliance management system attached as Appendix 1 (hereinafter “CMS description”) for the appropriateness and the group-wide implementation (includes the subsidiaries and business units) of the compliance management system (hereinafter “CMS”) the delineated areas of anti-corruption, antitrust and fraud as at 31 March 2023.

This assurance report is intended for KAEFER Group for informational purposes and may not be used in any other context than to inform KAEFER Group’s Executive Board or Administrative Board. In particular, this assurance report may not be disclosed to third parties or used in sales brochures or other similar public documents or media unless our approval is given. We approve the transfer of this document to third parties, provided they acknowledge our limitation of liability in an electronically based counter-confirmation process or similar procedure. Third parties within the meaning of these regulations exclude members of the Administrative Board. Our assurance report references the underlying engagement and terms agreed herein.

We have provided the services described above for KAEFER Group. We have carried out our engagement on the basis of the General Engagement Terms dated 1 January 2017 (Appendix 2) included in our engagement agreement. By taking note of and using the information as contained in our assurance report, each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations specified in item no. 9 included therein) and acknowledges their validity in relation to us. Correspondingly our liability regarding damage caused by negligence towards all claimants is limited to a total amount EUR 4 million.

2 Definition and delineation of the compliance management system

A compliance management system (CMS) includes the totality of all principles, procedures and measures (hereinafter summarised as: regulations) of an entity that are intended to ensure that the entity, its employees and any third parties (if applicable) behave in accordance with the regulations, i.e. compliance with specific rules and requirements and/or the prevention of material violations of rules and requirements in clearly defined specific areas (non-compliance).

The design of a CMS includes specific generally accepted basic elements:

- the encouragement of a compliance culture,
- the design of the compliance framework (organisational and operational structure),
- the establishment of compliance objectives,
- the process for determining and analysing compliance risks by the entity,
- the process of preparing the compliance program,
- the development of the communication process, as well as
- the procedures for monitoring and improving the CMS.

Regarding the design of the CMS the entity followed the internationally acknowledged framework of IDW Assurance Standard (AsS) 980 issued by the German Institute of Public Auditors [Institut der Wirtschaftsprüfer (IDW)] and considering ISO 19600.

The CMS regulations presented in the CMS description with regard to the delineated areas of anti-corruption, antitrust and fraud are appropriate when they are suitable for both identifying in due time with reasonable assurance the risks of material non-compliance and for preventing such non-compliance. An appropriate CMS also ensures that incidences of non-compliance that have already occurred are reported promptly to the responsible unit in the entity so that the necessary actions for improving the CMS can be determined.

Even a CMS that has been appropriately designed and effectively implemented cannot absolutely ensure that the regulations of the delineated areas will always be followed or that non-compliance will be prevented, detected and sanctioned by the system. These inherent limitations of such systems result from the possibility that human judgement may lead to erroneous decision-making processes, that management may decide not to implement measures when costs exceed benefits, that disruptions solely due to simple human errors or mistakes may occur, or that controls may be circumvented or overridden by two or more persons in collusion.

3 Performance of the engagement

3.1 Subject of the engagement

The subject of our assurance engagement were the assertions contained in the CMS description in Appendix 1 regarding the appropriateness and implementation of KAEFER Group's CMS for the delineated areas of anti-corruption, antitrust and fraud.

KAEFER Group describes the delineated areas of anti-corruption, antitrust and fraud as follows:

Anti-corruption

"By corruption, KAEFER means any kind of bribes and criminal acts under sections §§ 299, 331-338 of the StGB, German Criminal Code, the UK Bribery Act, the US Foreign Corrupt Practices Act (FCPA) or criminal law provisions of other foreign jurisdictions in which KAEFER is directly or indirectly active."

Antitrust

"By antitrust, KAEFER means any restrictive agreements or concerted practices between companies, active on the same level of the value chain, or competitors (so-called horizontal agreements). In addition, the understanding also extends to vertical restraints of competition, such as impairments of existing competition through agreements made between companies at different economic levels, e.g. agreements between a distributor and a manufacturer."

Fraud

"By fraud, KAEFER means a knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment or by which an undue and unconscientious advantage is taken of another. KAEFER conceives this to include both acts, deeds, omissions, and concealments that involve a breach of legal or reasonable duty, trust, or legitimate expectation."

The legal representatives established the compliance program on the basis of the framework IDW Assurance Standard (AsS) 980 and considering ISO 19600.

The entity's legal representatives are responsible for the CMS, including the CMS documentation and contents of the CMS description. Furthermore, the entity's legal representatives are responsible for the processes and controls that have been determined as necessary to enable the preparation of the CMS description that is free of material misstatement, and to provide sufficient and appropriate evidence to support the assertions of the CMS description.

Our responsibility is to express an assurance opinion on the assertions made by the legal representatives in the CMS description (Appendix 1) about the appropriateness and implementation of the CMS for the delineated areas of anti-corruption, antitrust and fraud on the basis of our engagement work.

Our audit does not include an assessment of which regulation areas have been defined by the entity's legal representatives as the subject of the entity-wide compliance organisation or which delineated areas have been defined as the subject of the CMS audit. As a system audit,

the objective of the audit is also not to identify individual non-compliance. It is therefore not aimed at achieving audit certainty regarding actual compliance with rules.

As agreed upon our audit does not include an assurance opinion regarding the operating effectiveness of the CMS. An appropriate process regarding the design and implementation of a CMS itself does not ensure the effective operation of the implemented regulations.

3.2 Nature and scope of the assurance engagement

We performed our assurance engagement on the basis of the professional duties set forth for public auditors as prescribed by the IDW Assurance Standard 980: Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (AsS 980 as amended (09.2022)). Our auditing practice has applied the requirements for the quality assurance system of the IDW Quality Management Standard (IDW QMS 1 (09.2022)). We have complied with the professional duties according to the German Public Accountant Act (WPO) and the Professional Charter for Wirtschaftsprüfer/ vereidigte Buchprüfer (BS WP/vBP) including the requirements for independence. This standard requires that we plan and perform the assurance engagement so that we can, with reasonable assurance, assess that

- the assertions contained in the CMS description regarding the implemented regulations of the CMS of anti-corruption, antitrust and fraud are appropriately presented in all material respects. This includes ensuring that the assertions address all basic elements of a CMS and that statements do not contain any false information, inappropriate generalisations or unbalanced or biased presentations which may have the effect of misleading the addressees of the report,
- the assertions contained in the CMS description
 - are in accordance with the CMS principles of IDW AsS 980 and considering ISO 19600 and are appropriate in all material respects, and
 - are suitable for both identifying in due time and with reasonable assurance risks of material non-compliance with anti-corruption, antitrust and fraud regulations and for preventing such non-compliance,
- incidences of non-compliance that have already occurred are reported promptly to the responsible unit in the entity so that the necessary actions for improving the CMS can be determined, and
- the regulations were implemented as at 31 March 2023.

We applied professional judgement in determining our audit procedures during the assurance engagement and considered our knowledge of the legal and economic environment and the compliance requirements of KAEFER Group. We assessed the regulations set forth in the CMS description and the evidence presented to us primarily on a test basis. We believe that our engagement provides a reasonable basis for our assurance opinion.

To assess the appropriateness and implementation of KAEFER Group's CMS for the delineated areas of anti-corruption, antitrust and fraud, we performed the following audit procedures:

Review of

- the CMS description
- documentation regarding organisational and operational structure of the compliance department
- fundamental CMS documents e. g. process manuals, code of conducts (for employees and suppliers), handbooks and policies/rules
- documents with regard to the design as well as the performance of the compliance risk assessment
- the design and implementation of relevant internal controls of the compliance department
- documentation regarding the handling of compliance cases and internal investigations
- training material on anti-corruption, antitrust and fraud used for training purposes within the context of eLearning and offline training
- documentation with regard to the compliance communication, in particular compliance related communication by management ("tone from the top") and compliance communication addressed to the business units
- mail communications regarding contract coordination and adjustments, appointments and compliance case communication

Walkthrough of

- the due diligence processes of business partners, suppliers and customers incl. risk reporting process, sanction screening etc.
- software/systems used within the compliance organisation, e. g. case management, business partner due diligence, sanctions screening, etc.
- activities and workflows within the entity that are related to the CMS, e. g. sales processes, selection of suppliers, etc.
- the group-wide compliance risk management process as well as the implemented controls and measures
- the local compliance risk management process and, on a sample basis, the controls and measures initiated by the Local Compliance Officer.
- the internal investigation process and the compliance reporting process on group level as well as initiated by the Local Compliance Officer

Furthermore, we performed risk-based interviews with the following representatives:

Group level

- Both members of the Executive Board with overall compliance responsibility
- Members of the compliance department (Group Chief Compliance Officer, Lead Corporate Group Compliance and Compliance Manager)
- Employees of other business areas, in particular Corporate Communication, Corporate Supply Management, Corporate Human Resources, Corporate Legal & Insurance and the Internal Audit Function

Decentralised business units

- The Local Compliance Officers of the business units in France and Brasil, as well as
- The Managing Director and sales department employees of the French business unit as decentralised sales representatives because of the organisational location at local level due to the business model

We performed the assurance engagement (with interruptions) in the months of January to April 2023 until 21 April 2023.

We were provided with all the information and evidence we had requested. Legal representatives have provided a written representation on the completeness and accuracy of the CMS description and the explanations and evidence provided to us related to the design, appropriateness and implementation of the CMS.

4 Assurance opinion

Our assurance opinion exclusively encompasses the CMS description of the delineated areas of anti-corruption, antitrust and fraud of KAEFER Group. Any extrapolation or transfer of this assurance opinion to other compliance matters not covered by this delineated CMS areas could lead to false conclusions being drawn.

Based on the insights of our reasonable assurance engagement we conclude that

- the assertions contained in the CMS description regarding the implemented regulations of the CMS of anti-corruption, antitrust and fraud are appropriately presented in all material respects. This includes that the assertions address all basic elements of a CMS and those statements do not contain any false information, inappropriate generalisations or unbalanced or biased presentations which may have the effect of misleading the addressees of the report,
- the assertions contained in the CMS description
 - are in accordance with the CMS principles of IDW AsS 980 and considering ISO 19600 and are appropriate in all material respects, and
 - are suitable for both identifying in due time and with reasonable assurance risks of material non-compliance with anti-corruption, antitrust and fraud regulations and for preventing such non-compliance,
- incidences of non-compliance that have already occurred are reported promptly to the responsible unit in the entity so that the necessary actions for improving the CMS can be determined, and
- the regulations were implemented as at 31 March 2023.

The CMS description for the delineated areas of anti-corruption, antitrust and fraud at the entity was completed as at 31 March 2023. Any extrapolation of this information to a future date could lead to false conclusions being drawn if the CMS has been changed in the interim.

Even an otherwise appropriate CMS is subject to inherent limitations of a system, which means that incidents of material non-compliance may occur that are not prevented or detected by the system. The objective of this assurance engagement is to obtain assurance on the system, not identifying any incidences of non-compliance. It is therefore not intended to obtain audit assurance on actual compliance with rules and regulations.

Duesseldorf, 21 April 2023

KPMG AG

Wirtschaftsprüfungsgesellschaft

Stauder
Wirtschaftsprüfer
[German Public Auditor]

Lauscher
Authorised Representative

Appendices

Appendix 1

KAEFER Group's Compliance Management System



COMPLIANCE@KAEFER

KAEFER'S COMPLIANCE MANAGEMENT SYSTEM

INTRODUCTION

As a worldwide operating company, KAEFER's image and reputation are linked to the conduct of each employee. All KAEFER employees, regardless of their position, are expected to respect laws and internal rules of the various countries and cultures in which KAEFER does business.

KAEFER does not allow any compromises in business ethics. Inappropriate behaviour is never in KAEFER's interest and violations will not be tolerated. Compliance is an integral part of KAEFER's business processes.

GENERAL PRINCIPLES

KAEFER's Executive Board has the organisational and supervisory responsibility for compliance in the KAEFER Group. To address this responsibility, the corporate compliance function designed a risk-based compliance management system (CMS).

Under the leadership of the Group Chief Compliance Officer (GCCO), KAEFER has established a group-wide organisation with Local Compliance Officers (LCO) in the business units and the central function Corporate Group Compliance (CGC).

The GCCO and CGC both manage the group-wide compliance activities by considering the principles prevention, detection, response, and continuous improvement. The different tasks and responsibilities are clearly defined.

CGC coordinates the group-wide training activities, monitors compliance with applicable law, internal and external regulations and supports the development and implementation of globally binding internal rules and procedures regarding compliance. Compliance issues are regularly reported to, discussed, and agreed with KAEFER's Executive Board and the Audit Committee of KAEFER's Administrative Board.

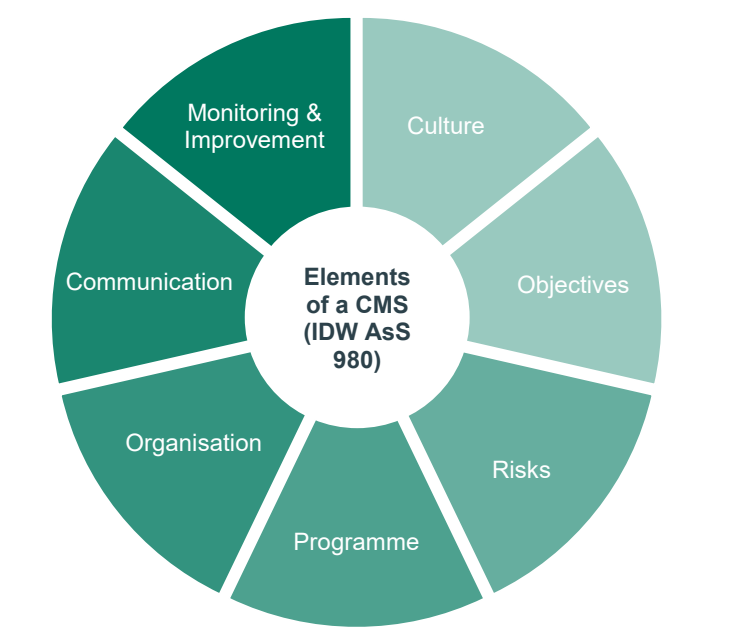
KAEFER's Management Boards (MB) / Managing Directors (MD) are responsible for compliance within their respective business units. KAEFER's LCO help the MB / MD fulfil their duty.

KAEFER's compliance organisation aims to ensure compliance with applicable laws and internal rules. KAEFER's CMS addresses several compliance risk areas, in particular anti-corruption, and fraud / asset abuse. In addition, the management of fair competition and sanctions risks are coordinated for the Group.



KAEFER's CMS has been established considering generally accepted standards and applicable legal requirements. KAEFER's CMS is implemented in all KAEFER business units that are controlled directly or indirectly by KAEFER SE & Co. KG and which run operational business.

In the following, KAEFER's CMS is described for the areas of anti-corruption¹, fraud/asset abuse², antitrust/fair competition³, and sanctions as of 31 March 2023 in accordance with the basic elements of a CMS as defined in IDW Assurance Standard (AsS) 980 and considering ISO 19600.



I. CULTURE

Violations of internal rules or laws are usually prevented through the right mindset, appropriate training, awareness, controls as well as effective countermeasures.

KAEFER believes that a positive and lasting compliance culture is crucial for a CMS. It is KAEFER's goal to meet the highest ethical standards which is also reflected in the KAEFER Values.

The basic principles of compliant behaviour are explicitly laid down in KAEFER's Code of Business Conduct. It is based on the fundamental understanding that, in the event of conflict, compliance always takes precedence over business objectives.

¹ By corruption, KAEFER means any kind of bribes and criminal acts under sections §§ 299, 331-338 of the StGB, German Criminal Code, the UK Bribery Act, the US Foreign Corrupt Practices Act (FCPA) or criminal law provisions of other foreign jurisdictions in which KAEFER is directly or indirectly active

² By fraud, KAEFER means a knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment or by which an undue and unconscientious advantage is taken of another. KAEFER conceives this to include both acts, deeds, omissions, and concealments that involve a breach of legal or reasonable duty, trust, or legitimate expectation.

³ By antitrust/fair competition, KAEFER means any restrictive agreements or concerted practices between companies, active on the same level of the value chain, or competitors (so-called horizontal agreements). In addition, the understanding also extends to vertical restraints of competition, such as impairments of existing competition through agreements made between companies at different economic levels, e.g. agreements between a distributor and a manufacturer."



The KAEFER Compliance Essentials summarise the key principles of integrity and are intended to help all employees to act in a compliance manner in their daily work.

KAEFER COMPLIANCE ESSENTIALS:

1. Follow the law and KAEFER's internal rules and guidelines
2. Act with honesty, integrity and show respect to others
3. Be an example for others
4. Reject corruption and bribery
5. Ensure gifts and hospitality are appropriate
6. Avoid conflict of interests and act in the best interest of KAEFER
7. Protect KAEFER's assets and data
8. Report suspected breaches

Every KAEFER employee must adopt the attitude that compliance is a must for employment at KAEFER and an explicit requirement for further employment. Employees who lack ethical judgment or do not take the KAEFER Code of Business Conduct seriously will not succeed at KAEFER.

Positive compliance culture starts with the top management. KAEFER's managers play a key role in terms of compliance. Due to their position, they bear a special responsibility as role models. They are expected to act in a recognisably ethical and legally correct matter so that compliance can be a principle for all employees. In addition, they are also expected to always support KAEFER's CMS with appropriate tone from the top. Compliance is a standing item at management meetings.

To maintain and improve the compliance culture, various measures have been taken by the compliance organisation and other supporting functions.

Online as well as face-to-face training courses are of central importance and are mandatory for employees at KAEFER. The compliance eLearning sessions cover many compliance topics using practical examples, with a focus on ethical behaviour, anti-corruption, conflicts of interest, anti-fraud, and fair competition.

Compliance culture requires that compliance incidents are handled in a transparent, fact-based and impartial way. In the event of violations, KAEFER follows a zero-tolerance approach. This includes the proper investigation of every possible breach of compliance rules and the corresponding sanctioning. Sanctions extend not only to warnings and fines, but also to termination of employment. In serious cases, KAEFER will file a criminal complaint to hold the perpetrator liable for the damage.

To fulfil their compliance duties, MBs and MDs must remain informed about current compliance matters. This is done by LCO throughout the year on a regular basis as needed.



At least quarterly, LCO are tasked with providing a compliance report to local management, to CGC and the Executive Board.

Transparency in the reporting of violations as well as the lessons learned internally from such cases are part of KAEFER's compliance culture. CGC regularly provides internal statistics to relevant stakeholders.

KAEFER regularly conducts a worldwide compliance culture survey among its employees to evaluate the perception and knowledge of compliance within the organisation and to take appropriate actions, depending on the result. Detailed results are provided to employees, local management and presented to both, the Executive Board and Administrative Board of the KAEFER Group.

II. OBJECTIVES

KAEFER strives to completely avoid compliance violations. There is consensus that KAEFER's business objectives can only be achieved through lawful business conduct, especially in the areas of anti-corruption and fair competition.

As a general principle, actions are compliant if they are legal. Compliance however also considers KAEFER's integrity and reputation. Situations in daily business are not always clearly compliant or clearly non-compliant. When confronted with a matter LCO are expected to perform a thorough fact finding, to identify remaining uncertainty and to flag the risks that different options of action imply. LCOs are encouraged to take risk-based decisions themselves as appropriate as well as to develop compliant solutions to enable the business.

CGC has developed compliance objectives. These are based on the three pillars prevention, detection, and response. These objectives are proposed to and approved by KAEFER's Executive Board. The objectives are updated yearly, and the achievement of these objectives is monitored.

KAEFER's current compliance strategy is clearly focused on the further development of KAEFER's CMS including appropriate training and communication.

III. RISKS

A risk-based approach is the core of KAEFER's CMS. KAEFER thoroughly analyses compliance risks that may arise from its specific global businesses and activities.

In 2018, KAEFER conducted an initial horizontal risk assessment for 30 risk areas to lay the foundation for KAEFER's current CMS structure. This horizontal risk assessment will be updated every five years so that the right focus is set.

Subsequently, a detailed vertical compliance risk assessment is undertaken, focussing on potential risks in the areas of anti-corruption, fair competition, and anti-fraud. This software-based analysis is carried out at least once a year for all business units with operational activities.



CGC provides all LCO with specific guidance including on methodology and risk scenarios on how to perform compliance risk assessments in line with corporate requirements.

The LCO is responsible for the appropriate evaluation considering impact, occurrence, and existing mitigating elements in their business units. Risk assessments usually consist of bilateral assessments with relevant stakeholders or of an assessment workshop including all relevant stakeholders.

The result of this evaluation is a risk prioritisation which is approved by the MB/MD of each business unit. So called Level 1 and 2 risks need to be addressed with priority and actions need to be developed.

The results of the risk assessment are evaluated and aggregated by CGC for the KAEFER Group and presented to KAEFER's Executive Board.

Based on the results, specific group-wide measures and actions are developed, such as training initiatives for high-risk areas, which are then implemented by the compliance organisation itself.

IV. PROGRAMME

KAEFER has defined globally binding guidelines of conduct in its KAEFER Code of Business Conduct, which have been detailed in several further KAEFER Group Policies and KAEFER Rules.

The KAEFER Code of Business Conduct contains general corporate principles that help employees to act appropriately when faced with ethical or legal challenges. It applies to all employees and is supplemented by detailed KAEFER Rules that provide instructions to employees on how to handle situations that arise in business e.g., involving conflicts of interest, gifts, invitations, donations, sponsoring, competition law and business partner due diligence.

These KAEFER Rules emphasise the strict prohibition of all forms of bribery and unfair business practices. These rules are a core part of KAEFER's CMS and were developed by CGC supported by additional material, such as checklists and manuals provided to the LCO. They intend to be concise, practical, easy to read and easy to understand.

Other KAEFER Group Policies and KAEFER Rules deal with specific issues such as trade compliance, fraud prevention and detection, whistleblowing, health, safety, environmental and social standards, human rights, segregation of duties, and public relations among others.

This entire written framework on group-level is made available to all business units through the KAEFER Rules System. KAEFER Rules define binding requirements for all KAEFER business units. They must be implemented in the local management systems considering local jurisdiction and requirements. The implementation is monitored.

The KAEFER Code of Business Conduct, applicable Rules and other guidelines are made available and communicated to all employees worldwide (e.g., through onboarding process, line managers, integrated management systems or respective face-to-face or online trainings).



KAEFER's compliance programme also includes the KAEFER Compliance Helpline (<https://www.bkms-system.com/kaefer>), a highly secured web-based whistleblowing system, which has been set up to allow employees to (anonymously) report violations of the KAEFER Code of Business Conduct, KAEFER Rules or law if they do not wish to contact their line managers or their LCO in person. This system is also available for third parties. The KAEFER Compliance Helpline is operated by an external provider and is available worldwide in several languages.

In training courses and general compliance-related communication, employees are made aware of the possibility to use this system, but also to approach their line managers or their LCO for assistance in compliance-related matters including possible compliance incidents.

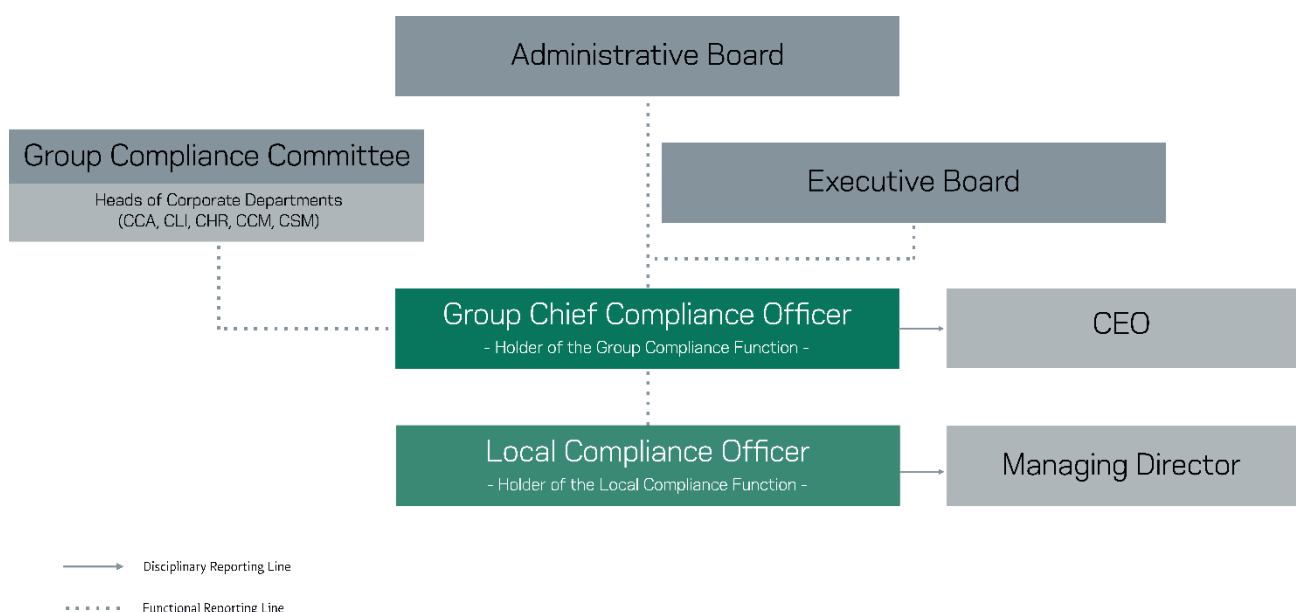
Reports received via the KAEFER Compliance Helpline are validated by CGC and then typically assigned to the relevant functions. Typically, LCO will manage standard compliance incidents. Reported cases and statistics on the use of the KAEFER Compliance Helpline are part of the standard quarterly compliance reporting.

Moreover, part of KAEFER's approach is implementing preventive and detective controls for compliance risks performed by both, the LCO and other functions (e.g., finance).

V. ORGANISATION

KAEFER's compliance organisation, headed by the GCCO as shown below, ensures that all markets in which KAEFER operates are adequately covered by a competent LCO. As a matter of principle, each operational business unit has an LCO.

There are currently about 25 employees worldwide acting as LCOs, excluding deputies, with a functional reporting line to the GCCO. CGC has 2,5 FTEs.





Each LCO is expected to have a proximity to the respective MB/MD, typically as a direct report and to regularly align compliance matters with the MB/MD closely, e.g., in the context of regular jour-fixes.

The GCCO is a decisive stakeholder in the selection process for new LCO. The appointment of an LCO will be based on proposal made from the MB/MD of the specific business unit. The filling of positions of LCO, as well as their dismissal, is subject to pre-alignment with the GCCO. All compliance officers (GCCO/ LCO) are appointed by the CEO of the KAEFER Group.

CGC includes new LCO in the regular communication cycle and provides an on-boarding training at the start.

KAEFER's LCO are protected against retaliation and have a standing within their business unit's organisational structure that ensures that necessary independence from operating units is maintained.

LCO exercise a set of activities. This comprises the following general tasks:

- > Promoting a culture of integrity
- > Providing compliance training and communication
- > Providing advice
- > Establishing compliance principles and procedures
- > Investigating and maintaining a reporting mechanism
- > Monitoring compliance with applicable laws and regulations

Specific tasks of LCO are:

- > Performing the compliance risk assessment
- > Performing controls
- > Providing regular and ad hoc compliance reporting
- > Compliance Incident handling and crisis management

CGC oversees the proper implementation of the CMS in the business units. CGC at the same time supports the LCOs by institutionalised compliance video conferences four times a year (quarterly compliance calls), during which information exchange between CGC and the LCO takes place and measures to be implemented are discussed.

Furthermore, CGC performs country visits to discuss current compliance questions and to assess the status of the local CMS together with the LCO and the local management (so-called quality assurance visits).

KAEFER's GCCO reports directly to KAEFER's CEO. In addition, the GCCO reports regularly to relevant bodies at KAEFER, including the Executive Board, and KAEFER's Administrative Board.

The GCCO is supported with his tasks by the Group's Compliance Committee which is a monitoring and advisory body for the handling of certain compliance incidents.



VI. COMMUNICATION

Communication is key to facilitate effective compliance culture and to inform about how compliance is implemented at KAEFER. Compliance communication has a wide range and scope.

As a general principle, employees are informed about the KAEFER compliance programme as well as the defined roles and responsibilities so that they can sufficiently understand and properly fulfil their tasks in the CMS. Following tone-from-the-top and -middle-communication coming from local management, KAEFER business units disseminate compliance awareness through various local communication formats.

Compliance Rules are communicated to KAEFER employees on several levels. To avoid uncertainties or conflicts in everyday work, compliance trainings and communication measures are tailored to the risk profile of KAEFER's business and activities. This includes briefing every new employee by introducing them to KAEFER's Code of Business Conduct, applicable KAEFER Rules and guidelines as part of the initial onboarding process.

KAEFER employees receive regular training, particularly on the topics of the KAEFER Code of Business Conduct, fraud prevention, anti-corruption, conflicts of interest and fair competition. The training is tailored to the respective target group; for example, special training on antitrust law is provided for employees from purchasing or sales.

CGC creates these various compliance trainings which are offered worldwide. Such online trainings are based on real-life cases. Participation in the classroom and/or online trainings is mandatory. For operational employees on projects, in-person-trainings are offered on site. Training content is reviewed and updated regularly. LCOs develop, as part of their general tasks, additional local communication initiatives.

#StandUpFor





Furthermore, internal knowledge transfer on compliance includes CGC's quarterly compliance newsletters that are distributed globally. In addition, CGC provides posters with compliance key messages which are used in offices or on sites. Detailed information about compliance can be found in the ONE Intranet.

The further development of the compliance trainings is a top priority for KAEFER's compliance organisation and is fully supported by management.

VII. MONITORING AND IMPROVEMENT

Various instruments are used to improve and further develop the CMS and in particular the dedicated compliance risk areas. KAEFER's CMS is designed to systemically prevent compliance risks from materialising. These requirements and their implementation must be monitored and improved regularly. For that reason, ongoing communication, and alignment between LCO and CGC is necessary. CGC itself regularly conducts country visits for quality assurance purposes.

In addition, regular compliance audits by Corporate Internal Audit ensure the adequacy and effectiveness of the CMS, in particular compliance with the KAEFER Compliance Rules. Corporate Internal Audit derives its audit plan from a risk-based approach and takes compliance risks into consideration.

It is the task of an LCO to implement appropriate controls and processes to reduce compliance risks. In addition, LCOs themselves also do checks. The identification of control deficiencies and the implementation of appropriate remediation is part of KAEFER's compliance reporting.

The continuous improvement of the compliance organisation reinforces KAEFER's commitment to meeting the highest standards in the ethical and legal conduct of its global activities. As part of the corporate culture, KAEFER encourages all employees to speak up and openly address (suspected) misconduct or violations of the KAEFER Code of Business Conduct or KAEFER Rules to their line manager, the LCO or the KAEFER Compliance Helpline.

Reports received via the KAEFER Compliance Helpline are validated by CGC. Typically, LCOs will manage standard compliance incidents and Corporate Internal Audit plans and conducts internal investigations for major cases at KAEFER on behalf of CGC.

FINAL REMARKS

As described, compliance and ethical behaviour are management priority at the KAEFER Group. With this CMS description, we aim to give you a general impression of the efforts KAEFER makes to be the reliable and good partner you want us to be.

When it counts, count on us.

Appendix 2

General Engagement Terms

General Engagement Terms

for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "*Textform*" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.