

# Compliance Officer Guideline

## Preamble

The value system of Messer Group GmbH and its group of companies (*Messer Group*<sup>1</sup>) should ensure a relationship sustained by fairness, solidarity and trust with our customers and competitors, as well as togetherness within the Messer Group and its managers and employees<sup>2</sup>.

The responsibility for the creation, implementation and monitoring of a corresponding organisational concept is to be taken by the Management Body of Messer Group GmbH, the responsible persons of the Corporate departments for their respective areas, and the management bodies for their respective company.

For supporting these responsible persons, the Management Body of Messer Group GmbH has nominated a Corporate Compliance Officer (CCO). There are also Local Compliance Officers (LCOs), who are designated by the regional managers in agreement with the respective local managing directors. The group of compliance officers is complemented by the head of Corporate departments, who deal within their department, as so-called department/area-related compliance officer (BCO).

This compliance officer guideline (*CO-guideline*) describes the status, tasks and powers of the compliance officer within the Messer Group. It is part of the Messer Code.

Under their responsibility, the compliance officers do not explicitly undertake any:

- tasks, which are incumbent on the holder of the operation
- supervisory duties according to §§ 9, 30, 130 of the German OWiGs or equivalent local regulations in the legal systems of the national subsidiaries.

Unless otherwise separately listed, the expression compliance officers in this guideline will include the CCO, the LCOs and the BCOs.

## § 1 Corporate Compliance Officer

1. The corporate compliance officer is the contact person within the Messer Group for all managing directors, executives, employees, LCO and BCO, especially with regard to Code of Conduct and part A of the Group Guidelines, as well as concerning suspected cases of serious violations of the Messer Codex.
2. To protect his individuality as a person and to safeguard his independence, as well as to maintain the necessary continuity and experience, the appointment of the CCO is always made irrevocably for at least two years, but will be subject to dismissal if a justifiable reason exists.
3. The CCO is directly under the Management Body of Messer Group GmbH, which has the power to decide the tasks and powers of the CCO within its managerial authority.

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<sup>1</sup> For the scope, see the definition in the Code of Conduct.

<sup>2</sup> Note: For improving the reading comfort, the differentiation between the feminine and the masculine forms is omitted in the following concept. Therefore, any selected expression is considered a neutral term and includes male and female persons who have equal rights and are treated equally.

This includes the right of the Management Body to assign to the CCO or to withdraw from him tasks and powers in individual cases through a written order. Otherwise, the CCO will act independently in the exercise of his function and will not require any instructions from superiors.

4. The tasks of the CCO include:
  - a) Supporting managing directors, executives, employees, LCOs and BCOs in relevant issues such as the Code of Conduct, part A of the Group Guidelines, as well as this guideline, and advising as well as raising awareness in them in respect of their interpretation through trainings and clarifications;
  - b) maintaining the Code of Conduct, part A of the Group Guidelines, as well as this guideline with respect to the contents;
  - c) receiving reports of possible serious violations<sup>3</sup> of the Messer Code;
  - d) in the case of sufficiently strong suspicion, investigating and, if necessary, ascertaining the possibility of a serious violation<sup>4</sup> of the Messer Code;
  - e) proposing measures for preventing a repetition of a serious violation and to recommend a decision for the Management Body to impose appropriate sanctions;
  - f) informing the Management Body of Messer Group GmbH in accordance with § 1 sub-para. 8.
5. For the purpose of verification of suspected cases of serious violations of the Messer Code reported to him, the CCO may, without reservation and at any time, request documents from all offices of the Messer Group Companies and demand information. To the extent permitted by law, this includes immediate access to relevant information in the electronic media. He has the unreserved and permanent right to use existing monitoring systems (e.g. corporate audit, audit of departments, etc.). Unless otherwise regulated by law, executives and employees of the Messer group may not refuse the publication of documents or the provision of information and are committed to providing full and truthful information. A contravention is a serious offence subject to disciplinary action, which is punishable by the personnel officer within the provisions of the applicable labour laws.
6. The CCO has the decision-making power in matters of applicability and interpretation of this guideline, the Code of Conduct and part A of the Group Guidelines. In this context, he can draw on the expertise of the Legal Department, other central departments or outside experts.
7. While exercising his tasks mentioned here, the CCO has the right to make use of the existing organisational structures (e.g. internal audit, risk management, etc.), to implement new organisational structures in case required, to adapt the existing structures and to examine the efficiency of the organisational structures. Thereby, he can rely on the already existing organisational structures of the individual departments, the responsible regional officers and the managing directors of the individual national subsidiaries and also outside service providers.
8. The CCO may himself take the decision on the arrangement and implementation of investigative measures in case of suspicion with regard to serious violations of the Messer Code.

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<sup>3</sup> for that also see § 4.1 to 4.5 below.

<sup>4</sup> for that also see § 4.1 to 4.5 below.

The CCO reports to the Management Body of Messer Group GmbH regularly and in individual cases, on request, promptly about any serious violations of the Messer Code reported to him, otherwise reports once in a year.

9. If a justifiable suspicion exists that the Management Body of Messer Group GmbH is involved in the violation of the Messer Code, the CCO, in order to avoid conflicts of interest, is entitled to immediately inform the shareholders meeting of Messer Group GmbH about a violation of the Messer Code.

## § 2 Area compliance officer (BCO)

1. Due to their status, the heads of the Corporate departments are compliance officers for their respective departments. As such, they must so organise their area, that the Messer Code is adhered to. Insofar as the respective BCO has no right of disciplinary action in departments belonging to his field in the national subsidiaries, these departments should be organised in consultation with the competent managing director. Here, the local or regional situations should be taken into account. When there is no agreement between the BCO and regional heads, the Management Body of Messer Group GmbH will take a decision in this regard.
2. The tasks and powers of the BCO are:
  - a) managers and employees of the central department as well as departments belonging to his field in the national subsidiaries
    - i. to support and advise in relevant issues such as the Messer Code, in particular part B of the Group Guidelines and associated policies, guidelines, etc., to the extent its subject concerns his department.
    - ii. to raise awareness through trainings and clarifications in the interpretation of the rules with content-related reference to his department (see under b) i.), in order to prevent conscious and unconscious violations of them. Where useful, the BCO provides training material on topics relating to his department (see below b) i.).
    - iii. to monitor compliance with the regulations belonging to the Messer Code, to the extent its subject concerns his department. This is done by specific audit requests of the BCO to the local organisation or his own audits. If needed, the BCO provides necessary questionnaire for internal audit and supports the audit team with appropriate knowhow relating to the respective department.
  - b) for or from his department and the appropriate departments in the regional subsidiaries
    - i. to develop internal guidelines, procedures and organisational rules (cf. part B of the Group Guidelines and policies, guidelines referring to it, etc.). He establishes corporate-level organisational structures to comply with mandatory or recommended standards of conduct for his own department (such as, safety standards, guidelines from the corporate accounting and controlling manual, etc.). This should be done with the aim of a minimum possible control and in coordination with the regional leaders. The final decision on the scope of regulation is to be taken by the Messer Group's Management Body. The implementation and harmonisation of processes is supported by regular exchanges between the local and central departments (for example, as part of department meetings).

- ii. To receive reports of possible violations of the Messer Code and, in the case of sufficiently strong suspicion, to investigate them and ascertain their validity.
3. The BCO has the decision-making power in matters of applicability and interpretation of guidelines, manuals, etc. of his central department/own department.
4. Within the department assigned to the BCO for taking disciplinary actions, the BCO also functions as an LCO. It ensures that all employees assigned to him for assisting him in disciplinary actions are regularly trained in areas of the Messer Code relevant to them, and informed of amendments.

### § 3 Local Compliance Officer (LCO)

1. In coordination with the respective local Management Body, the responsible regional manager nominates an LCO. An LCO may also function as LCO for several national subsidiaries in personal union. In conformity with the Messer Code, the LCOs help their national managing directors and executives of the national subsidiary, in creating and ensuring a Messer Code compliant organisational structure in their respective national subsidiaries. The overall responsibility for a Messer Code compliant organisational structure in their national subsidiaries remains with the respective national management bodies.
2. In connection with his role, especially the following task areas are incumbent on the LCO, provided these under § 2 have not been specifically allocated to a BCO:
  - a) To support managing directors, executives and employees in their own national organisations for the following actions:
    - i. Advice on issues relevant to the Messer Code. The LCO is the contact point for executives and employees, in the matter of clarifying doubts relating to applicability and interpretation of the Messer Code in consultation with the CCO and communicating with the local subsidiary.
    - ii. Raising awareness of the importance of the Messer Code through trainings and clarifications, in order to prevent conscious and unconscious violations of the Messer Code. If required, the LCO lends support for the organisation, coordination and documentation of internal as well as outside trainings. The local management, as well as the respective local/central management bodies and business areas are responsible for the contents and implementation of the training.
    - iii. Support for the local implementation of the Messer Code.
    - iv. Support to the local Management Body, so that (a) the Messer Code can be seen by all employees and all employees will have knowledge of where and how the Messer Code can be seen and (b) all employees will have or can obtain knowledge of the hotline and the email address through a permanently and freely accessible notice board, if they would like to send any reports of violations of the Messer Code.
    - v. Support to the local Management Body, to align the Messer Code with the local legislation and to translate into the local language.
    - vi. Regular communication of updates and new features of the Messer Code to the local managing directors, managers and employees

- vii. Receiving reports of possible violations of the Messer Code as a central contact person and, if necessary, carrying out investigations as well as taking final decision regarding a reported violation.
- b) to inform the CCO about
- i. the suspicion of a serious<sup>5</sup> violation in individual cases, immediately after coming to know of it. The LCO will send an investigation report<sup>6</sup> to the CCO and regularly update it until the completion of the investigations.
  - ii. all the processes relevant for the Messer Code within the respective regional subsidiary once a year as part of the compliance report. The compliance report should be submitted to the CCO annually no later than 31 January.

#### § 4 Reporting and investigation of possible violations of the Messer Code

1. All employees have the opportunity to report violations to the Messer Code to the LCO, the BCO as well as the CCO. The confidentiality promised according to § 4.4 of the guideline should be followed, if requested by the reporting person.
2. Basically, reports of alleged violations, and their investigations should be made within the relevant organisational unit itself, i.e. within a department, a division, a national subsidiary. In particular, violations in connection with the observance of requirements that are internal to Messer should primarily be investigated by those in charge of the concerned organisational unit with the active involvement of the LCO and/or the BCO.
3. The CCO should be promptly informed and called in, if there is suspicion of a serious violation. This is the case,
  - a) in a criminal offence,
  - b) a suspected, large financial loss for the company or the Messer Group (more than €100T).
  - c) a feared significant damage to the reputation of the company or the Messer Group.
4. In addition to the immediate discussion and contact with the compliance officer, a free **hotline (+49 (0) 800 447 1000)** and an **email contact (compliance@messergroup.com)** are also available for reporting violations. Reports should be made, specifying the identity of the reporter. On request, the identity of the reporter can be kept confidential. Anonymous reports will be considered only in exceptional circumstances and will be tracked only when reports are sufficiently precise and call for a duty of investigation due to the severity of the alleged violation. The recipient of the message must document the following in writing:
  - a) When and how the message has been received,
  - b) Identity of the reporting person,
  - c) Who, when, which violation, is said to have been committed,
  - d) Which specific suspicious facts and evidences are present,
  - e) When and to whom the message has already been delivered.
5. If a case of suspicion is investigated, it should be defined in concrete terms as far as is possible through feedbacks from the reporting person reporting the alleged violation, so

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<sup>5</sup> For that, see § 4.3.

<sup>6</sup> According to the template available from the CCO.

that on that basis a conclusiveness check and, if necessary, further investigative measures, can be undertaken. The further substance of the message is to be reviewed by examining the handed over, mentioned or otherwise available evidences and calling witnesses. The internal review or, if necessary, an audit team from a department is to be involved in the investigation after prior consultation with the CCO. To the required extent and at the time of investigation, it is advisable to inform and if necessary to question the person suspected of violation.

**An intentionally unsubstantiated denunciation itself is a major violation of the Messer code and shall not be tolerated and will be accordingly sanctioned. The same applies if a concrete case of suspicion is reported, but is not investigated for want of sufficient grounds.**

6. With the exception of the investigation, an investigation report is to be prepared conforming to the template specified by CCO and the content updated until the conclusion of the investigation. Besides the documentation contents already listed above under clause 5 last sentence,
  - a) the said suspicion is to be named and substantiated as well as justified, if no further investigation is initiated after conclusiveness check.
  - b) The investigation measures, possibly the comment of the suspected, evidences and witnesses as well as the knowledge gained from it are to be stated.
  - c) The investigation result and the decision on measures, sanctions or the further procedure is to be summarised. Implementation of thus mentioned measures is to be monitored and documented.
  
7. The decision about and implementation of remedial measures and sanctions is incumbent,
  - a) in the case of serious violations or in the event of a conflict of interests of the persons responsible for the organisational unit (e.g. regional manager, area or departmental managers), exclusively on Messer Group GmbH, or in the case of § 1 No. 8 of company meeting.  
  
in all other cases
    - b) on the disciplinarily responsible persons of the respective organisational unit (e.g. regional manager, area manager, department manager) and are confirmed by the relevant Supervisory Body of the national subsidiaries to the required extent.
    - c) In companies with employee representation, a timely involvement of the employees' representative is to be ensured.

Bad Soden, 5<sup>th</sup> November 2015

Messer Group GmbH



Stefan Messer  
Chief Executive Officer



Dr. Hans-Gerd Wienands  
Chief Financial Officer