

Rules for the complaints procedure

Our standardized operating procedure for complaints

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Objective

The LMT Group has set out its core values such as integrity, honesty, fairness in competition, fair working conditions, sustainability and socially responsible behavior as well as compliance with the law in a code of conduct. Our corporate culture is based on these fundamental values.

Unethical, illegal and irresponsible behavior harms the company and its stakeholders, i.e. customers, shareholders, suppliers, partners and employees as well as other people directly or indirectly affected by our actions. This applies both to our own actions and to our direct and indirect business partners. For this reason, their constructive assistance is an important building block in the fight against and prevention of illegal behavior.

The establishment of our "Speak Up" whistleblower system is the central element and an important component of the complaints procedure as defined in Section 8 of the German Supply Chain Due Diligence Act (LkSG). These rules of procedure describe the procedure and protection for the whistleblower, how communication between the whistleblower and the LMT Group takes place and which other reporting channels are available.

Target group and reporting channels

The LMT Group offers its employees, employees of business partners and indirect business partners and other stakeholders various reporting channels through which suspected cases of compliance violations affecting the LMT Group can be reported. Compliance violations can occur in these categories in particular:

- Collusion, contact, meetings with competition
- Bribery, corruption, kickbacks
- Embezzlement, misappropriation, theft
- Environmental protection, health and safety
- Fair behavior, conflicts of interest and violation of internal guidelines
- Harassment, bullying, discrimination
- Problems in connection with data protection and IT security
- Human rights
- Other issues

The reporting channels are:

- Compliance Hotline "Speak Up": <https://www.lmt-group.com/de/compliance-hotline>
- Compliance Department Fette Compacting: compliance@fette-compacting.com
- Compliance Department LMT Tools: compliance@lmt-tools.com
- By post: LMT GmbH & Co. KG, Grabauer Straße 24, D-21493 Schwarzenbek - for the attention of: Legal Department
- Employees of the LMT Group also have the option of reporting violations directly to their superiors or the responsible management.
- External reporting center at the Federal Office of Justice

The LMT Group's reporting channels are implemented in the LMT GmbH & Co. KG and all of its subsidiaries ("LMT Group").

Whistleblower can decide for themselves whether to report anonymously or by name. The Speak Up Hotline enables an anonymous exchange on request by means of technical safeguards created for this purpose.

The complaints procedure is free of charge for the whistleblower. The Speak Up compliance hotline is available in the most important languages of our stakeholders.

Process of the complaints procedure

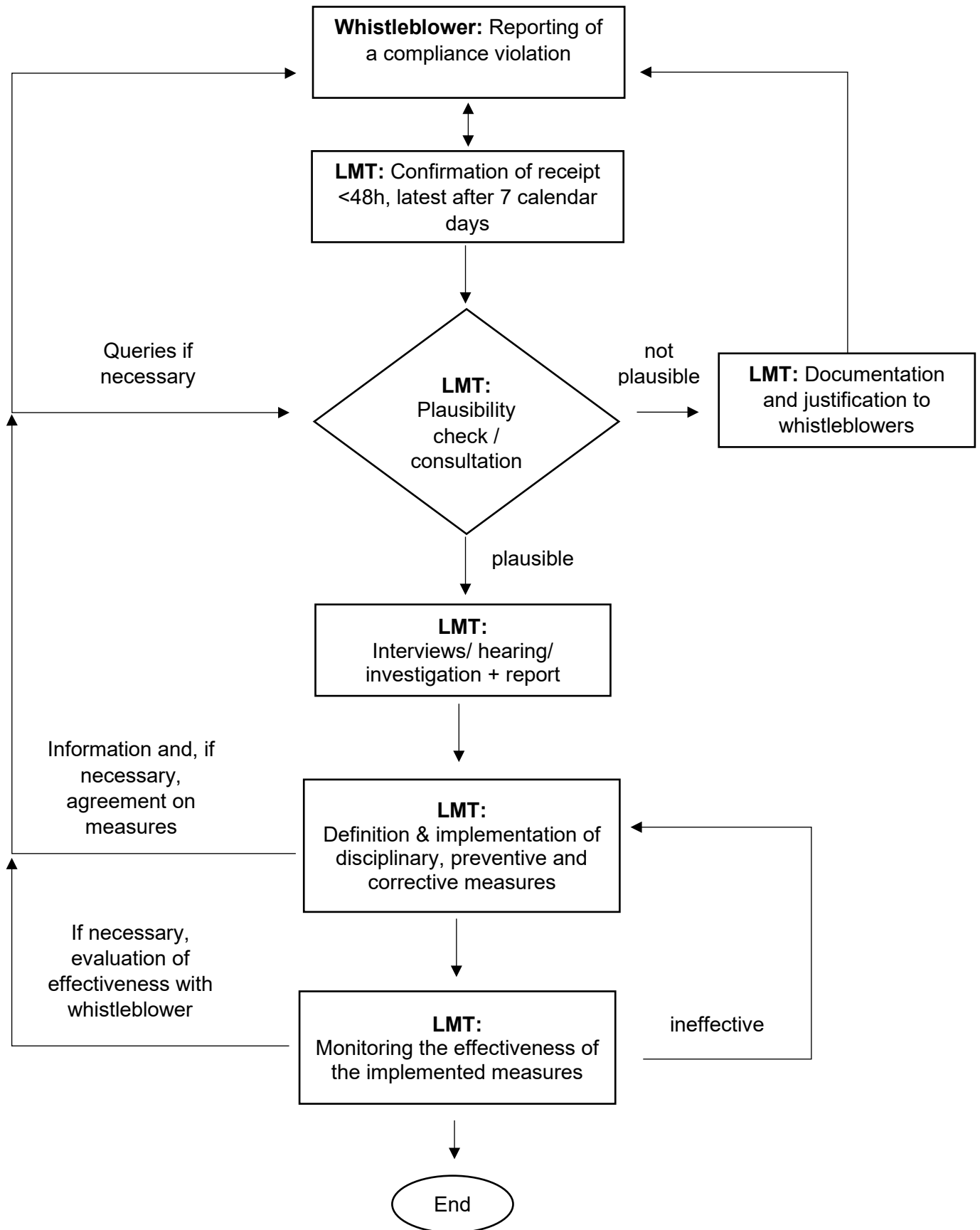
- 1) The whistleblower receives a confirmation of receipt within 48 hours, but no later than seven calendar days.
For the electronic whistleblowing system - the Speak Up compliance hotline - the whistleblower has the option of communicating anonymously via a secure mailbox if desired. For this purpose, the whistleblower receives a "case identification number" and can communicate via the secure mailbox after assigning a password.
- 2) The persons responsible for the complaints procedure check the information for plausibility. The focus is on whether sufficient information is available to allow an in-depth examination of the facts or whether further information is required.
 - If (even after further contact by the LMT Group) the report clearly does not appear plausible because, for example, the LMT Group is not affected or there is insufficient information to clarify the facts, the procedure is closed and the whistleblower is informed of the reasons for this.
 - If sufficient information is available for further clarification of the facts and the information is deemed plausible, the persons responsible for the complaints procedure consult the responsible Head of Legal in order to draw up an investigation plan if necessary. Depending on the nature and criticality of the complaint, the management, the Supervisory Board, the HR department or the Works Council will be informed while maintaining confidentiality and, if necessary, the responsible data protection officer will be involved.
 - If a report turns out to be deliberately false, the responsible persons will check whether and to what extent claims can be made against the whistleblower.

In all steps, the protection of the whistleblower, their wish for anonymity, if any, and data protection limits are observed at all times. The name and identity of the whistleblower is only known to the persons responsible for the complaints procedure. They are obliged to maintain confidentiality. The names will only be shared with other persons with the express consent of the whistleblower.

At the same time, the accused persons are also protected anonymously to the same extent. The presumption of innocence applies until the facts of the case have been clarified.

- 3) As part of the investigation, the hint is followed up, if necessary with external support, and an investigation report is drawn up. The whistleblower can obtain information on the status of the investigation at any time.
- 4) On the basis of the investigation report, the Management Board or the Supervisory Board decides on possible disciplinary measures as well as preventive and corrective measures. At the same time, a root cause analysis is initiated in order to identify systematic errors, the risk assessment of the affected area is updated and agreed measures are implemented. Where possible and appropriate, the whistleblower is involved in the definition of solutions and measures.
- 5) The implementation of measures is monitored by the compliance responsible. This may also include the joint evaluation of measures with the whistleblower.
After completion of the investigation and implementation of improvement measures, but no later than 90 days after receipt of the note, the compliance responsible informs the whistleblower in a qualified form about the result or status of the processing of the report.

The process flow as an illustrative presentation:



Anonymity and protection of the whistleblower

The whistleblower is generally protected from discriminatory or disciplinary measures. Any retaliation against them will not be tolerated. In the event of indications of retaliation against whistleblowers, the persons responsible for the complaints procedure must be involved immediately. The company itself will take disciplinary action against retaliation and implement appropriate and proportionate measures along the supply chain.

The persons responsible for the complaints procedure will not disclose the name and identity of the whistleblower to the company or third parties without the whistleblower's consent. If the responsible persons are questioned as witnesses in criminal, civil or other proceedings, they will only disclose the name and identity of the whistleblower if authorized to do so in writing by the whistleblower and the company.

The whistleblower's desire to protect his or her identity is countered by the interest of the persons affected by the whistleblowing in the disclosure of the facts. This is another reason why deliberate abuse of the opportunity to submit complaints and reports will not be tolerated. Therefore, anonymity protection also applies to the accused persons to the same extent. The presumption of innocence applies until the facts of the case have been clarified.

Data protection

The processing of personal data collected as part of the complaints procedure is carried out in accordance with the EU General Data Protection Regulation (GDPR) and other national and international data protection laws. The company ensures compliance with the statutory retention obligations and data protection regulations. The personal data collected is limited to information on the identity, function and contact information of the reporting and affected persons as well as to the other personal data absolutely necessary for processing the matter. Personal data that is obviously not relevant to the processing of a specific report is not collected or is deleted immediately if it was collected unintentionally. In addition, only reported facts, processing details, follow-up of the report and test reports are stored. Personal data transmitted as part of the whistleblower system is generally deleted no later than three years after a case has been closed. The documentation may be stored for longer in order to fulfil the requirements of this Act or other legal provisions, as long as this is necessary and proportionate. In order to fulfil the documentation requirements in accordance with the LkSG, case files are stored in anonymized form (without personal data) by the persons responsible for the complaints procedure on a protected drive for seven years from their creation. Anonymization can take place at the earliest three years after the case has been closed, insofar as the cases fall within the scope of application of both the German Whistleblower protection law and the LkSG.

The data protection officer reviews the data protection compliance of the complaints procedure on a regular basis. The documentation for the fulfilment of the due diligence obligations of the LkSG is kept for seven years.

Effectiveness of the complaints procedure

The effectiveness of the complaints procedure is reviewed by the company once a year and on an ad hoc basis, for example in the event of a significant change or an expansion in the risk situation in its own business area or at a supplier, such as the introduction of new products, projects or a new business area.