

GPM Compliance-Policy

Adopted by resolution of the GPM Executive Board on 19 November 2024,
Resolution No. 24-179

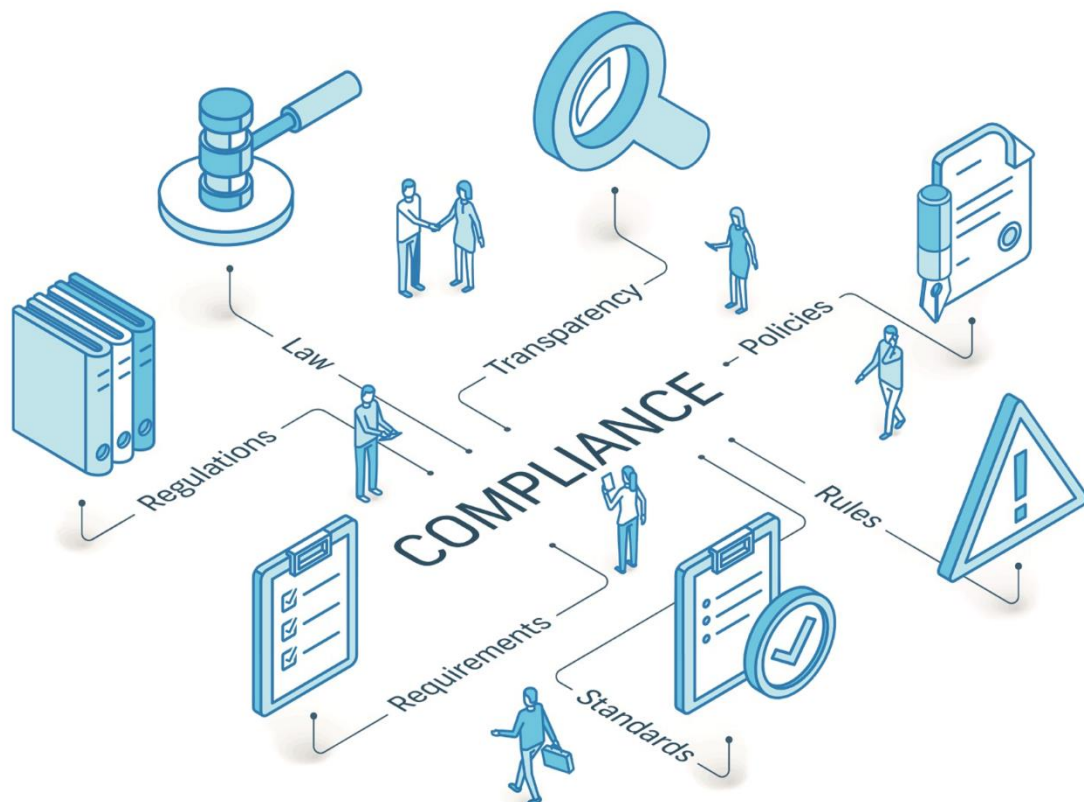
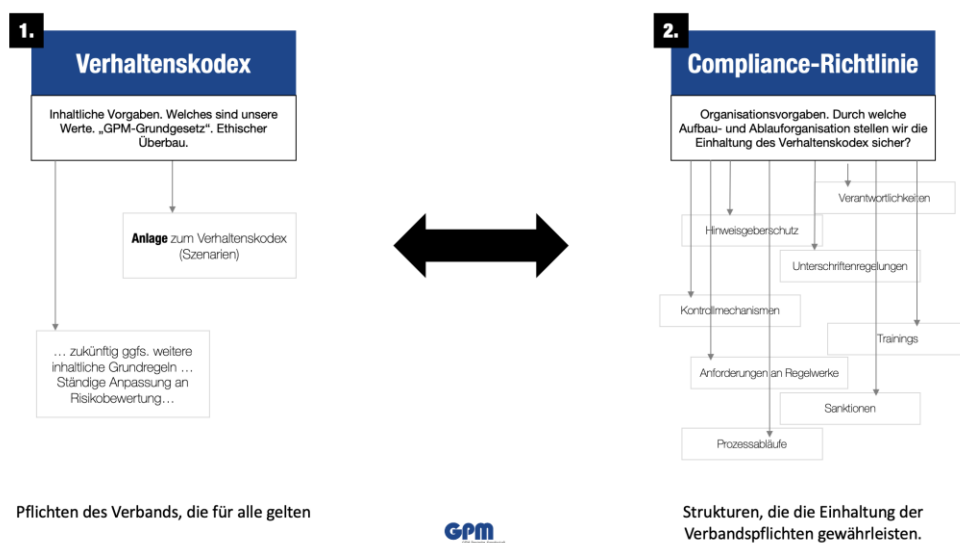


Table of contents

1. Preamble	3
2. Scope	3
3. Compliance Management System of GPM	4
3.1. Definition of Compliance Objectives	4
3.2. Definition of Implementation Measures	4
3.3. Monitoring of Implementation	4
3.4. Optimisation of the CMS	5
4. Duties and functions	5
4.1. The Delegates Assembly of GPM (hereinafter „DV“)	5
4.2. Executive Board of GPM (hereinafter „PRÄS“).....	6
4.3. Supervisory Board GPM (hereinafter „AR“)	6
4.4. Compliance-Officer of GPM (hereinafter „CO“)	6
4.5. The Ombudsman	7
4.6. Compliance Function Holders	7
5. Compliance Complaint Procedure	7
6. Responses to Compliance Breaches / Sanctions	8
6.1. Sanctions.....	8
6.2. Responsibility	8

1. Preamble

GPM expressly commits itself to complying with all laws, regulations and internal rules applicable to it. This understanding of compliance, which is further detailed in the Code of Conduct, forms an integral part of the association's culture. Compliance is not to be understood as an inconvenient obligation or unnecessary control, but as a form of active risk prevention. Sustainable compliance can only be effective if the integrity of all individuals engaged with GPM, whether in an honorary or professional capacity, is ensured. This Compliance Policy describes the organisational structures and processes intended to ensure compliance with the Code of Conduct and must be read in conjunction with it.



2. Scope

The Compliance Management System (hereinafter referred to as the “CMS”) applies to GPM and all entities in which GPM holds a direct or indirect majority interest (hereinafter referred to as “Affiliated Companies”). It serves to ensure compliance with applicable laws and regulations as well as with GPM's internal codes and policies:

- GPM Code of Conduct
- GPM Procurement Policy
- GPM Regulation on Invoice Approval – Signature Authorisation Policy
- GPM Data Protection Commitment Declaration
- GPM Travel Expenses Policy
- GPM Gifts Policy
- GPM Email Account Policy
- GPM Communication Guidelines
- GPM Regional Activities Handbook
- GPM Specialist Activities Handbook

3. Compliance Management System of GPM

The CMS consolidates all individual compliance measures into an overarching system. The compliance control cycle represents the continuous control process for the implementation and further development of the CMS.

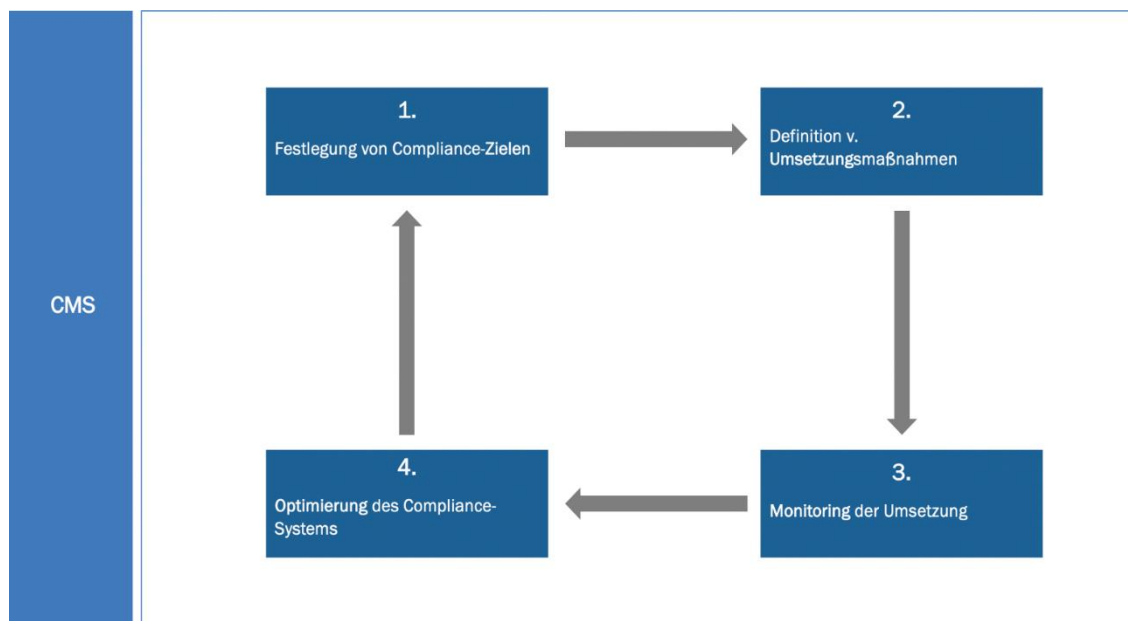


Figure 1: Compliance control circle

3.1. Definition of Compliance Objectives

The CMS and the objectives defined therein must, on the one hand, ensure that compliance breaches are minimised and, on the other hand, that the efficiency and effectiveness of members and employees are impaired to the smallest possible extent.

The CMS provides for the following overarching objectives:

- a) **Prevention:** The greatest possible avoidance of breaches of rules and regulations, early identification of external and internal risk factors, the adoption of risk-mitigating measures, and the monitoring of business processes with regard to compliance risks and appropriate controls.
- b) **Investigation:** Identification and clarification of potential compliance breaches
- c) **Response:** Sanctioning and remediation of identified compliance breaches
- d) **Development of a compliance culture:** Further development of employees' compliance awareness

3.2. Definition of Implementation Measures

To achieve the defined objectives, implementation measures are defined by the responsible parties at the beginning of each year. The annual planning is reviewed and adjusted as required, but at least once a year. The current status of the implementation measures must be communicated as part of regular reporting.

3.3. Monitoring of Implementation

The implementation of the compliance plans is monitored through the recording and documentation of the measures taken in this regard. The interpretation of the data collected serves to identify any potential need for optimisation.

3.4. Optimisation of the CMS

The mechanisms of action and the appropriateness of the individual compliance instruments must be continuously reviewed, and measures to sharpen and refine the effectiveness of the instruments must be derived from this.

4. Duties and functions

The Delegates' Assembly (DV) defines the compliance guiding principles. The Executive Board (PRÄS) implements a CMS to ensure compliance. Responsibility for managing the CMS is assigned to the Compliance Officer (CO). The Compliance Officer is supervised by the Executive Board (PRÄS). The Supervisory Board (AR), in turn, supervises the Executive Board.

In addition to the AR, PRÄS and CO, the heads of departments and staff units as well as those persons elected to bodies and committees of GPM or appointed to an office by the Executive Board (hereinafter referred to as "Compliance Function Holders") bear a special responsibility to set an example of integrity and compliant conduct within the meaning of the CMS vis-à-vis members and employees and to ensure and promote operational compliance activities within departments, bodies and committees as well as regional and specialist groups.

The investigation of the facts in the case of compliance breaches reported via the ombuds system is the responsibility of the Ombudsman.

The system is summarised in Figure 2.

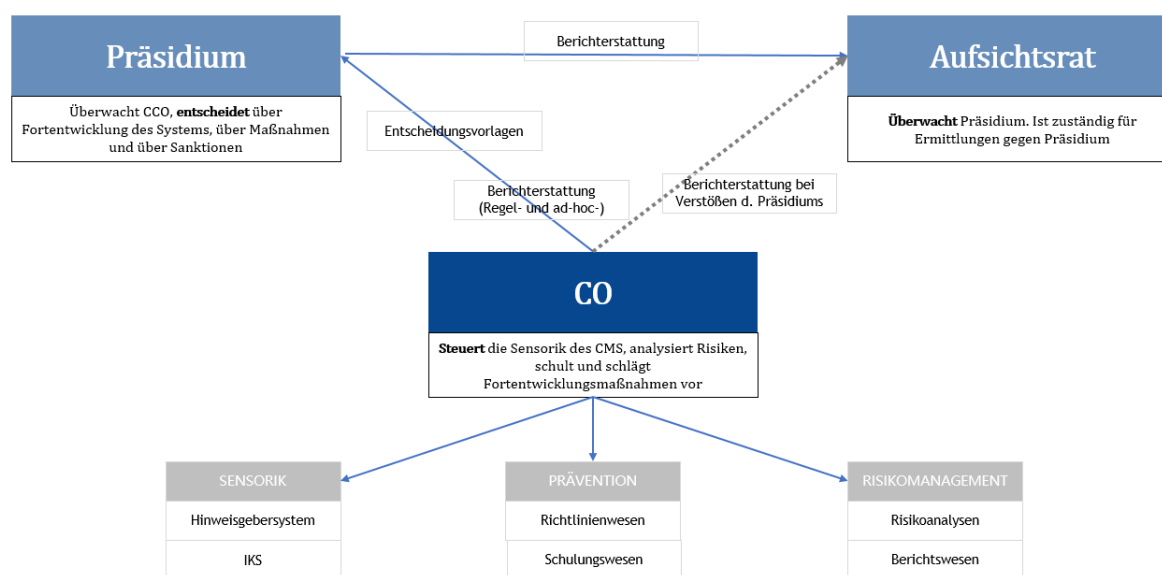


Figure 2: Responsible for the compliance management system

The individual function holders have the following responsibilities:

4.1. The Delegates Assembly of GPM (hereinafter „DV“)

- defines the compliance guiding principles of GPM by adopting the Code of Conduct
- receives an annual report from the Executive Board on the CMS and compliance with compliance requirements

4.2. Executive Board of GPM (hereinafter „PRÄS“)

- actively represents the compliance objectives and compliance values it has defined within GPM and externally
- adopts policies to ensure compliance, involving the CO
- supervises the work of the CO and receives reports from the CO at least semi-annually
- remedies compliance breaches at GPM, involving the CO and, where appropriate, the relevant special officer (e.g. Data Protection Officer)
- informs the CO of any compliance risks and breaches
- provides the resources necessary to implement the CMS

4.3. Supervisory Board GPM (hereinafter „AR“)

- monitors compliance with compliance requirements by the Executive Board of GPM
- receives reports from the Executive Board at least annually as part of its supervisory function

4.4. Compliance-Officer of GPM (hereinafter „CO“)

- manages the CMS
- acts as the central point of contact for the Executive Board and the Supervisory Board on compliance matters
- is responsible for coordinating the Executive Board's requirements with the established compliance organisation
- advises the Executive Board on all compliance matters and coordinates the work of the other Compliance Function Holders
- supports the Executive Board in the development of compliance-relevant policies and issues recommendations in this regard
- is given the opportunity to comment prior to the adoption of compliance-relevant policies within GPM
- organises compliance-related training within GPM on association regulations and trains those responsible for complying with these regulations (hereinafter referred to as “Compliance Function Holders”)
- monitors and operates GPM's compliance risk management (sensor system); in this context, the CO has extensive information rights vis-à-vis the Compliance Function Holders and acts as a point of contact for them
- continuously assesses compliance risks for GPM and issues recommendations to the Executive Board in this regard

- establishes an internal control system (ICS) enabling the monitoring of compliance with the requirements of the Code of Conduct. This includes, at a minimum, regular reviews of reported conflicts of interest and recusal obligations existing under the Articles of Association, as well as spot checks with Compliance Function Holders to determine whether they have reported all compliance-relevant incidents known to them and whether they have acted in compliance with applicable requirements in the performance of their duties
- reviews the accuracy and completeness of documented transparency disclosures by members who are standing or have stood as candidates in committee elections
- reports significant compliance breaches to the Executive Board without delay and, in addition, reports at least semi-annually within the framework of regular reporting on other compliance breaches at GPM and on the status of the CMS
- supports the Executive Board in remedying compliance breaches at GPM
- reports to the Supervisory Board on an ad hoc basis where there is suspicion of significant compliance breaches
- recommends, where necessary, the conduct of compliance investigations at GPM, prepares such investigations where applicable and carries them out on instruction of the Executive Board or the Supervisory Board,
- investigates and clarifies the facts or coordinates the investigation of the facts in relation to compliance reports submitted to the CO
- acts as the internal point of contact for the ombuds office and supports it in relation to reports submitted to the Ombudsman via the ombuds system

4.5. The Ombudsman

- administers the whistleblowing system and ensures that it complies with statutory requirements
- investigates and clarifies the facts in relation to compliance reports submitted to the Ombudsman
- investigates and clarifies the facts where the CO is personally concerned or conflicted

4.6. Compliance Function Holders

- actively inform themselves about the applicable provisions within their respective area of responsibility
- assume compliance responsibility for their own conduct
- are expected to report compliance-critical decisions and developments to the Ombudsman or the CO
- notify the CO of changes to internal or external framework conditions that should be taken into account within the CMS
- cooperate in the clarification of compliance breaches

5. Compliance Complaint Procedure

Various communication channels are available for submitting reports. The first point of contact is the Compliance Officer.

In addition, reports may be submitted to the Ombudsman and discussed with them. The Ombudsman acts independently and is bound by confidentiality. Furthermore, it is possible to report a breach anonymously via the link www.gpm.hinweisgeben.eu.

Reports are acknowledged to the whistleblower within seven days. The substance of the report is then examined and any necessary investigations are carried out. Depending on the outcome of this examination, any identified compliance breaches are remedied and sanctioned. The whistleblower is informed of the progress of the handling of the report no later than three months after receipt of the report.

Whistleblowers are assured confidentiality and, upon request, anonymity, so that even the recipient of the report does not know the identity of the whistleblower. No costs are incurred by the whistleblower as a result.

6. Responses to Compliance Breaches / Sanctions

6.1. Sanctions

If breaches of laws and regulations, the Code of Conduct or other compliance regulations of GPM are identified by the Compliance Officer or the Ombudsman, the following internal association sanctions may be imposed in addition to any notification or report to the competent authorities:

in the case of association members:

- Advisory discussion conducted by the conciliation body
- Warning / reprimand
- Correction of false statements
- Removal from office
- Removal of a function holder from office (Section 17 (8) of the GPM Articles of Association)
- (Temporary) exclusion from association activities and from holding association offices
- Determination of the loss of eligibility to hold association offices for a period of 1 to 5 years from the announcement of the decision
- Exclusion from the association

in the case of employees:

- Employment-law consequences (reprimand, warning, termination)

in the case of service providers and other business partners, the following responses may be applied by way of example:

- Warning
- Request to submit a cease-and-desist declaration subject to a contractual penalty
- Assertion of a contractual penalty
- Exclusion from participation in all GPM procurement procedures for a period of 1 to 5 years from the announcement of the decision
- Termination of the business relationship

6.2. Responsibility

Responsibility for imposing sanctions and for responding to compliance breaches lies with the Executive Board or, in the case of breaches committed by the Executive Board, with the Supervisory Board, unless responsibility is assigned to another body under the Articles of Association.

Additional Information:

- **Language of the Documents / German Version Prevails**
These compliance policy is provided in German and English. In case of discrepancies between the German and English versions, the German version shall prevail and is binding.
The English version is provided for information and clarity purposes only.
- **Governing Law**
German law shall apply, excluding the UN Convention on Contracts for the International Sale of Goods (CISG) and the rules of private international law.

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