

hotset-group Code of Conduct

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1. Foreword

The hotset company was founded in 1973 in Germany and has developed into a globally operating company with several hundred employees. Since then, the company has experienced both highs and lows. We have experienced the positive contribution made by employees who adhere to the rules set out in this document, but also the dreadful consequences of noncompliance.

This is why we have stipulated this commitment to all employees in the hotset roup. Because adhering to law, decency, and morals protects the company as a whole from harm, as well as creates trust, increases efficiency, and makes employees satisfied in the long term. The individual points discussed here have emerged from discussions, experiences, and tradition, but are certainly not wholly exhaustive. There will always be situations in which the individual employee, acting on the spirit of this commitment, must act according to their own conscience. The values may also change over time. Therefore, we also promise to continue discussions on the topics within our commitment on a regular basis.

Especially important is passing on our fundamental values. Only if all employees – in particular, management – live credibly according to these values can they also be passed on to new employees.

We are well aware that our rules stem from a European tradition of values. It may well happen that in other countries we come across laws or rules that contradict our ideas. If in doubt, we still commit to our principles. Because we are convinced that they serve the wellbeing of the people and because we are, and shall remain, a German company, despite our global presence.

August 2021

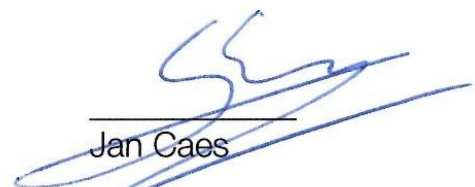
Hotset GmbH Management



Ralf Schwarzkopf



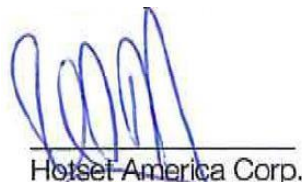
Sven Braatz



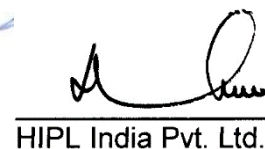
Jan Caes



Hotset Malta Ltd.



Hotset America Corp.



HIPL India Pvt. Ltd.



Hotset Heating Elements (Suzhou) Co. Ltd.

2. Scope

The rules described in this Code of Conduct are to be observed by all employees of the hotset group. This obligation is equally shared between the company and each individual employee. Each employee has a duty to follow the rules of the Code of Conduct and the right to expect they be followed by others.

Foreign subsidiaries must take into account national specificities when implementing the Code of Conduct, provided this does not affect the basic principles.

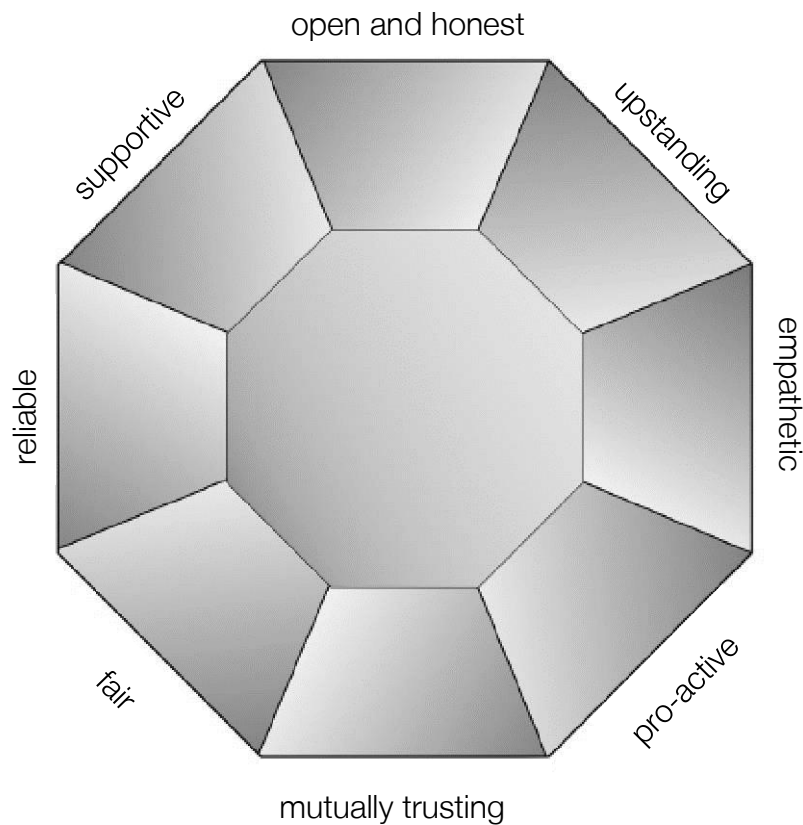
Companies with which the hotset group has a business relationship are encouraged by us to comply with all applicable rules and guidelines as well. Should rules conflict with each other over the course of such business relationships, the hotset group will seek mutually acceptable action, or will not enter into the business relationship.

The Code of Conduct is the basis for further operational rules that can take into account both industry-specific and country-specific features. It extends to all business matters within the company, and to all areas in which an employee is perceived as its representative. This is especially true on social media.

3. Principles

3.1. hotset Value Diamond and Rules

Management, area leaders, and team leaders have agreed upon the values and the rules. We have placed the values in our value diamond and explained this to our employees, along with the rules. Thus, these values and rules are binding for all employees.



Rules

1. We maintain open and honest, friendly and collegial, as well as respectful interaction with each other.
2. We motivate and promote ourselves and our employees.
3. We work together towards a goal.
4. We like to make decisions.

5. We think and act as a single entrepreneurial entity.
6. Our work is customer-oriented in all areas.
7. We have a role model.
8. Our work is disciplined and solution-oriented
→ meetings, projects, daily work.
9. We are reliable.
10. We regularly question our actions and strive to improve.
11. We want to understand first, before we want to be understood. We listen with empathy.

Listen Actively

- To empathize with others, to meditate on their situation, and to feel a part of it.
- Seek to grasp what they really mean and want to express.
- Feel the emotions and moods of others.
- Withhold your own judgements, suggestions, and initial reactions.
- Pay attention to physical signals.

Give and Receive Feedback

Questions are better if you:

- Describe facts instead of evaluating them.
- Formulate feelings directly rather than indirectly.
- Speak in terms of first person and not third person.
- Express your wishes (what the other should do differently).

3.2. Basic Requirements

3.2.1. Compliance with Applicable Law

Compliance with all applicable laws and regulations is a matter of course for us – at the local, national, and international level. Only in this way can our business success be secured worldwide. Any violation of applicable laws or regulations can result in serious consequences, including criminal punishment, damages, or reputational consequences.

All executives are required to know the basic laws, regulations, and internal company rules that are relevant to their area of responsibility. Extensive knowledge is required, in particular, for those executives who, by virtue of their role, have a particular responsibility to ensure compliance (e.g. general managers, finance executives, human resources).

There may be stricter rules in individual countries, business partners, or markets than those described in this Code of Conduct. In such cases, in principle, the stricter rules must be adhered to.

If there are doubts about the legal appropriateness of a decision, a legal expert within the company must be consulted.

3.2.2. Open Discussion

The open discussion of concerns contributes decisively to a decrease in misconduct, which is either prevented, or detected and corrected early on. For this reason, we attach great importance to an open climate in which employees can confidently and without hesitation approach their supervisor or management with critical issues. Managers encourage open discussion, stand by their staff, and respond fairly and without prejudice.

Intimidation and reprisals against employees who report in good faith an actual or suspected misconduct will not be tolerated. “In good faith” means that the employee is confident that his or her portrayal is true, regardless of whether or not a subsequent investigation confirms it.

If employees still have reservations about discussing their concerns with a point of contact in the immediate vicinity, or if this has no effect, they can contact the following persons at any time (confidants):

Frank Michel (Human Resources): +49 2351 4302-118, fmichel@hotset.com

Karina Reitz (Assistant Manager): + 49 2351 4302-550, kreitz@hotset.com

3.2.3. Trust and Respect

Every individual has the right to just, dignified, and respectful treatment. We are committed to equal opportunities and to promote a work environment that is characterized by respect and tolerance, recognizing the value and dignity of each individual and treating all employees with courtesy, honesty, and dignity. Harassment, bullying, and intimidation are prohibited.

Personnel-related decisions, e.g. recruitment, promotions, or disciplinary action must be free of any discrimination. We do not tolerate any discriminatory conduct towards

employees or applicants on the grounds of ethnic origin, nationality, gender, pregnancy or parenthood, marital status, age, disability, religion or beliefs, sexual orientation, or any other discrimination covered by the principle of non-discrimination.

3.2.4. Conflicts of Interest

hotset expects its employees' loyalty to the company.

All employees must avoid situations in which their personal or financial interests conflict with those of hotset.

Any competitive situation with the company should be avoided.

POSSIBLE CONFLICTS OF INTEREST:

- Placing an order with related persons (family, friends, private business partners)
- Orders to companies in which related persons work or own a stake of more than 5%
- Contracting, continuing, or terminating a business relationship with a third party based on personal interests or material/immaterial personal benefits
- Secondary employment by competitors or business partners
- Employment of related persons (family, friends, private business partners)

Every employee, regardless of position, has an obligation to communicate potential conflicts of interest to their supervisor.

After disclosure, supervisors are able to decide on the approval of the business process in question.

Conflicts of interest at the level of subsidiary managing directors require the approval of the managing partner of Hotset GmbH.

Violations of any conflict of interest may result in disciplinary action and civil or criminal action.

3.2.5. Protecting Company Assets and Fighting Fraud

We value the responsible handling of company property of any kind, e.g. with products, work equipment, or intellectual property.

Company assets should be used exclusively for the intended business purposes. Unauthorized use for other purposes, in particular inappropriate personal, illegal, or other unauthorized purposes is prohibited.

Any form of fraud is prohibited, regardless of whether it damages company assets or the property of third parties. Appropriate control measures should be used to prevent property-damaging offenses of any kind (e.g. fraud, infidelity, theft, embezzlement, tax evasion, or money laundering).

3.3. Dealing with Business Partners and Third Parties

3.3.1. Relationships with Business Partners

The business relationships with our customers, suppliers, and business partners are determined by ethical behavior. We run our business openly, honestly, and with ethical responsibility. Our actions are always characterized by fairness, good faith, and integrity. We say what we mean and do what we say. We expect the same from all employees and all persons with whom we do business.

Our business partners (e.g. customers, suppliers, sales agents, and consultants) expect that they can rely on hotset as a legally compliant business partner. It also requires us to be familiar with our contractual obligations to our business partners.

In addition, we make sure that our business partners comply with the laws of their respective business practices.

National and international laws regulate the import, export, and domestic trade of goods, technologies, or services, as well as the handling of certain products and capital or payment transactions. Appropriate measures must be taken to ensure that transactions with third parties do not violate applicable economic and trade, import and export, or terrorist financing rules.

3.3.2. Protection against Corruption and Bribery

Any form of bribery or corruption is prohibited, be it by public officials or in business dealings.

Contributions – such as invitations or advertising – for the purpose of promoting business relations or presenting products or services are permissible, as far as deemed reasonable.

However, such benefits may only be accepted or granted if they serve a legitimate business purpose and are not accepted or granted in return for any unlawful benefit. The benefit must not be unduly high in value and must not disproportionately exceed the limits of

local business customs or the normal standard of living of the recipient. Donations to public officials should be avoided as a rule.

3.3.3. Fair Competition

We commit ourselves to fairness in competition. Only in fair competition can the market develop freely. Every employee of the hotset group is obliged to observe and comply with the rules of fair competition.

Wherever hotset operates, the company complies with laws on antitrust and trade, pricing, competition, and consumer protection. hotset group employees must always act within the legal limits when dealing with customers, suppliers, and competitors. This means that they must not make any price agreements or secret agreements on production, supply, or distribution in the markets. Employees of the hotset group are not allowed to participate in unfair trading practices.

We do not tolerate unlawful collusion with competitors. Even the appearance of unfair agreements with other market participants should be avoided.

3.3.4. Product Safety

We see ourselves as partners of our customers. Long-term customer relationships contribute to our business success. Our claim is therefore to offer our customers high-quality, safe and flawless products and services.

Products and services must be free from defects or hazardous characteristics that may affect health or property.

3.4. Information Handling

3.4.1. Protection of Company Property

We use the property and resources of the company properly and carefully, protecting it against loss, theft, or misuse. The intellectual property of our company represents a competitive advantage for hotset and thus a valuable asset, which we defend against any unauthorized access by third parties.

We use the tangible and intangible property of the company for corporate purposes only, and not for personal purposes unless expressly permitted.

We are committed to respecting the material and intellectual property of third parties and reject unlawful means of obtaining information.

3.4.2. Privacy Policy

hotset respects the personal rights of its employees and business partners. Personal data of employees and business partners is only used in accordance with the relevant data

protection regulations, insofar as this is necessary for the execution of business operations. Personal data is stored securely and protected against unauthorized access.

We expect our employees to comply with the applicable data protection regulations.

3.4.3. Use and Security of IT Systems

hotset makes significant efforts to protect IT resources and business data against loss, corruption, or access by third parties.

All employees are required to take necessary measures to ensure the security of IT systems against internal and external misuse and threats (e.g. misuse of assigned passwords or downloading inappropriate material from the internet).

Executives have a special function as role models, and must actively promote the awareness of IT security of their employees.

3.4.4. Confidentiality

We take the necessary steps to properly protect confidential information and business records from unauthorized colleagues and other third party access.

3.5. People and the Environment

3.5.1. Human Rights, Health, Environment

We respect the dignity and personal rights of our employees and third parties with whom we have business relations. We reject forced and child labor and any form of exploitation or discrimination; in addition, we strictly enforce these laws.

Occupational safety, health, and environmental protection mean full and unrestricted action in accordance with laws, ordinances, and official regulations. We continue to have an open exchange of information with the authorities and work cooperatively with them on environmental and security tasks to be solved.

In particular, it is the responsibility of managers to ensure that adequate procedures and safeguards are in place for health and safety in the workplace.

We take measures even without regulatory requirements, out of responsibility for employees, society, and the environment. Every employee, no matter their role within the company, has a responsibility for themselves and their own environment with respect to safety, health, and environmental protection. We use resources sparingly. We support charitable institutions.

3.5.2. Fair Working Conditions

Ensuring fair working conditions is an integral part of our corporate culture. We comply with legal regulations to ensure fair working conditions, including those on wages, working hours, and privacy.