

Testo

Code of Conduct

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Contents

I. Preliminary notes

<u>Content and scope, Conflicts with national guidelines</u>	<u>3</u>
<u>Documentation and archiving, Contact, Infringement</u>	<u>4</u>
<u>Your role as an employee</u>	<u>5</u>
<u>Your role as a manager</u>	<u>5</u>
<u>What to do in case of doubt</u>	<u>5</u>

II. Guidelines

1. <u>Signature authorisation</u>	<u>6</u>
2. <u>Contract management</u>	<u>6</u>
3. <u>Business conduct</u>	<u>7</u>
4. <u>Conflict of interest</u>	<u>7</u>
5. <u>Private use of company assets</u>	<u>8</u>
6. <u>Use of telephone, internet and e-mail</u>	<u>8</u>
7. <u>Privacy of personal information</u>	<u>9</u>
8. <u>Confidentiality</u>	<u>10</u>
9. <u>Fraud</u>	<u>11</u>
10. <u>Bribery</u>	<u>11</u>
11. <u>Accepting and granting benefits</u>	<u>12</u>
12. <u>Business entertainment</u>	<u>13</u>
13. <u>Business trips</u>	<u>13</u>
14. <u>Travel expense reporting</u>	<u>15</u>
15. <u>Company Car</u>	<u>15</u>
16. <u>Purchasing</u>	<u>15</u>
17. <u>Personnel matters</u>	<u>16</u>
18. <u>Discounts</u>	<u>16</u>
19. <u>Payment transactions</u>	<u>17</u>

I. Preliminary notes

Content and scope

This Code of Conduct is directed towards all employees of the Testo Group. Testo operates worldwide and is involved in many vital business transactions. For this reason, this Code of Conduct identifies standards, rules and requirements for all commercial activities and provides guidelines for professional behaviour. This Code also covers compliance aspects since failure to comply with the law, might expose Testo, as well as the individual persons involved, to potentially serious sanctions such as fines, penalties or loss of business licence. This Code is designed to make measures for worldwide asset protection within the Testo Group transparent and understandable.

This Code is divided into several sections:

- A description of your general role and responsibilities.
- Hints how to proceed if you are uncertain in a specific situation.
- Policies and procedures for areas defined as high-risk and/or critical, in order to ensure a consistent set of regulations in all Testo organisations.

This Code of Conduct applies to everyone in the Testo Group, regardless of their individual role, position or location. The sections contained provide a summary of the essential standards that make up Testo's Code of Conduct. However, due to Testo's worldwide business activities, our Code of Conduct cannot cover all applicable regulations, laws and other legal requirements. For this reason, the Testo subsidiaries are enabled to consider company-specific requirements in their own guidelines. Therefore please note the references to further local guidelines that appear in a number of places throughout this Code of Conduct. These guidelines contain country-specific rules and requirements.

The Code of Conduct will be reviewed continually against the background of national and international developments and be adjusted, if necessary.

Conflicts with national guidelines

It is possible that guidelines that pick up topics from the Code of Conduct are already in place in your company. Whether these national guidelines are still valid depends on several factors. Any national guidelines whose content is contrary to the Code of Conduct are invalid in all cases. The content of other national guidelines need only be adapted so that they are consistent with the Code of Conduct. They then complement and specify the Code of Conduct. Here it should be emphasised that guidelines based on local statutory rules remain valid in any case.

Documentation and archiving

All company transactions must be documented and the relevant local regulations and obligations for archiving must be adhered to.

Contact

A confidant is available for you in your company regarding all aspects of the Testo Code of Conduct. Additionally you can contact the confidant in Testo SE & Co. KGaA headquarters in Lenzkirch/Germany:

Steffen Sauer, Internal Auditing
Tel. +49 7653 681 1230
E-Mail: ssauer@testo.de

Strict confidentiality is guaranteed.

Infringement

Testo reserves the right to take disciplinary and legal action in case of infringement of these guidelines.

Your role as an employee

As an employee you are required to:

- Understand and follow the laws and regulations that apply to your work area.
- Read, understand and follow this Code of Conduct as well as all additional policies applicable to you.
- Report any actual or suspected violations of the law, this Code or any other policies as well as any doubts about the propriety of a business practice to a confidant of your choice. Strict confidentiality is ensured.

Your role as a manager

As a manager you have additional responsibilities on top of those as an employee:

- Ensure that persons reporting to you understand and apply the relevant laws as well as the regulations of this Code.
- Enforce compliance with laws within your area of responsibility and promote a culture of trust and integrity and of compliance with laws and regulations.
- Take immediate and appropriate action when an actual or suspected violation is brought to your attention / is identified by yourself.

What to do in case of doubt

If you are uncertain how to proceed in a situation, do not take any action, step back and consider the following questions as a starting point:

- Is my planned action legal and is it in compliance with the Code of Conduct or other policies?
If an action is not regulated, ask your supervisor first
- Is my action consistent with the Testo values?
- Would the action damage the reputation of Testo?
- Am I compromising my integrity or the integrity of Testo?
- Is my action free of any conflict of interest?
- How would I feel if the action was made public?

II. Guidelines

1. Signature authorisation

Only the Managing Director is permitted to grant signature authorisations.

Employees` rights of representation must be defined in writing. This representation arrangement must be signed by both sides (Managing Director and employee).

No Testo employee is authorised to enter into (legal) transactions whose consequences, i.e. legal obligations, extend beyond their own local subsidiary. In case of doubt consult with your Managing Director before entering into a commitment.

Contents-based and value-based restriction of representation rights is defined country-specifically. Details on signature authorisation can be found in your company`s local guideline.

2. Contract management

General information

The right to sign a contract is defined in the guideline "Signature authorisations". Please refer to the information given on this page.

For all contracts which are not digitally archived in audit proof systems, a hardcopy of the original version must be archived. The country-specific laws must be adhered to.

Limitation of liability

In order to limit the liability for slight negligence and consequential damage, the general terms and conditions of customers, suppliers and other contractual partners may be accepted only if the liability of Testo is excluded or limited to the legally permissible extent. Procedures or actions deviating from the above-mentioned must be agreed with the respective superior at Testo SE & Co. KGaA headquarters within the limits of his authorisation.

The Managing Director is obliged to minimize or exclude the liability limit in regard to slight negligence and consequential damage through appropriate contractual agreements or by creating liability limiting general terms and conditions.

Legal review

Reviews by a lawyer must be conducted before conclusion of:

- Continuing obligations (e.g. framework agreements, lease contracts)
- Cooperation contracts with a duration > 1 year
- Loan guarantees
- Individual contracts with a volume > EUR 100k

Reviews of standard lease contracts for vehicles are not required.

Contract monitoring

Contracts must be monitored. Responsibility for contract monitoring and content to be monitored (i.e. maturity period and period of notice) are defined locally.

3. Business conduct

Testo does not allow any discrimination (for example based on gender, age, race, religion, national origin, disability/medical condition, sexual orientation).

We also prohibit all forms of harassment by employees or superiors. Neither violence, abuse, bullying or aggressive behavior of any kind are tolerated.

We do not use company property for any purpose that is in violation of applicable laws or prohibited by any company guideline.

Employees must always strive to protect and preserve Testo's assets through efficient and effective use of resources.

Employees may never work while under the influence of any illegal drugs. The same applies to alcohol or prescription drugs that might interfere with your ability to do your job safely and efficiently.

4. Conflict of interest

All employees must be free of outside influence or interests which conflict with their duty to act in the best interest of the company, or which interfere with their loyalty to the company.

Family or similar close relationships to competitors, suppliers, customers or business partners entail the risk of conflicts of interest. Such relationships exist for example if the employee is related to or has close friendly relations with representatives of such companies or is a joint partner/shareholder. Such relationships must be reported to the immediate superior as well as to the legal department of Testo HQ (legal@testo.de), insofar as the employee is him/herself in a position to be able to exert an influence on the nature of the relationship.

5. Private use of company assets

General information

Testo provides adequate work equipment for its employees. The use of this work equipment is for business only. The use of Testo facilities, infrastructure, equipment or funds for private purposes is prohibited as long as it is not regulated by another guideline. This includes the transfer of work equipment or assets to third parties, in case it is not regulated within the guideline "Accepting and granting benefits". See page 12 for further information.

Promotional gifts

Notwithstanding above rule, the private use of promotional gifts of Testo is permitted if they are giveaways below the value of 1 € and if it occurs only occasionally.

Employee discounts

The purchase of Testo measuring instruments by employees is generally possible. The discount terms are defined locally.

Each employee can purchase a maximum of two discounted measuring instruments per year. The resale of products purchased by employees for personal use is prohibited.

6. Use of telephone, internet and e-mail

General information

Country-specific rules are set regarding the private use of Testo's communication systems which are made available free of charge to the employee for business purposes based on the job description.

Beyond this country-specific guideline the following rules apply:

Use of telephone, internet and e-mail

(1) Sender and recipient of private e-mails are solely responsible for further use of these e-mails. They decide on archiving, deletion and forwarding in line with legal and the company's regulations. Regardless of these regulations Testo reserves its right to filter and immediately delete junk e-mails.

(2) Private use is not allowed if it:

- disturbs, competes or interferes with Testo's business or is perceived as such. This particularly refers to forwarding joke e-mails,
- causes additional costs for Testo,
- includes contents which interferes with Testo's data protection guideline,
- involves larger distribution lists
- involves the download of larger amounts of data.

(3) The access to pay-websites and access to or distribution of material which might be considered as distasteful, offensive or disrespectful by others is prohibited. Examples are:

- Content including sexual explicit images or descriptions
- Content which approves of illegal activities

7. Privacy of personal information

General information

The purpose of this guideline is to ensure the legally compliant handling of personal and confidential data by the responsible persons at Testo. Minimum requirements for the use of IT systems must be established for this purpose. Any violation of personal privacy must be avoided. This refers not only to the personal data of employees, but also to the personal data of external partners such as clients, suppliers and job applicants. Personal data is information that describes personal aspects of a human being, e.g. birthday, religious denomination, marital status, etc.

In particular we want to achieve that

- only eligible persons are in the position to take note of data (confidentiality),
- data remains undamaged, complete and up-to-date during use (integrity),
- data can be assigned to its origin at any time (authenticity),
- determination of who has processed which data at what point of time and in which way (audit ability) is possible,
- the procedures used for data processing are complete, up-to-date and comprehensibly documented in a reasonable way (transparency).

In any event the local statutory rules concerning the protection of personal data must be followed. National statutory rules to ensure IT security must be implemented.

The Managing Director is responsible for the implementation of this guideline. The Managing Director can delegate the implementation and monitoring of the guideline to a data protection officer.

Processing personal data

Collection, processing and use of personal data is only permitted if a precise operational assignment exists.

Personal data must only be processed on designated systems and must not be removed from the company's premises. Before disposal, data storage media, containing personal or confidential data which is no longer required, must be deleted in such a way that data is no longer accessible. Local statutory retention obligations and periods must be taken into account.

Circulation of personal data

Unauthorized circulation of personal data is prohibited. All employees having access to such sensitive data have an obligation to secrecy and must sign a corresponding confidentiality agreement. In case of requests for information, e.g. by public authorities, the circulation of personal data is only allowed if a local statutory rule exists. In case of circulation of personal data outside the

corporate network, sufficient protection (e.g. by encoding) against unauthorised access has to be ensured.

External access to personal data

Unauthorized external access to the corporate network must be prevented by implementing suitable technical and organizational measures.

Protection of the work station

The offices and IT workplaces must be secured so that personal data is protected against unauthorised access. This includes locking the network with a password after leaving office or desk. Offices where sensitive data is processed or archived, must also be locked after leaving, as far as possible. Remove all sensitive data from your desk and lock it away when leaving the workplace.

The circulation of passwords to other persons is prohibited. The password must be changed every 180 days.

8. Confidentiality

General information

The passing of information without consideration of the rules for the respective confidentiality level can cause significant consequences for Testo. Among other things this includes advantages for competitors because of information about new or planned products, pricing or marketing activities of Testo.

In order to protect confidential corporate data, all information is divided into three levels of confidentiality. Following these rules of confidentiality ensures the company's success and protects the privacy of employees.

Levels

Level	Confidentiality	Distribution	Forwarding	Filing/Disposal	Examples
I	Not confidential	Normal, e-mail	Yes, however not to competitors	Any form	<ul style="list-style-type: none">▪ Brochures▪ Promotion▪ Other information approved for publication▪ Everything that has no consequences if published
II	Confidential	Normal, however do not make it available to everyone / leave it open, internal e-mail	If necessary, however not to individuals outside of Testo	Not to be filed or disposed in the open, not to be put in trash	<ul style="list-style-type: none">▪ Minutes▪ Quarterly reports▪ Testo intern▪ Everything that isn't clearly level 1 or 3
III	Strictly confidential	Personal or in a sealed envelope, e-mail only if confidentiality is ensured	No, only after consultation with the author who has then to adjust the distribution list	Lock away, use document shredder or container for confidential documents	<ul style="list-style-type: none">▪ HR documents▪ R&D documents▪ Product plans, strategic material▪ Financial data▪ Customer lists▪ Circuit diagrams

9. Fraud

Fraud is defined as an intentional deception to obtain a benefit or personal gain. Testo is committed to comply with anti-fraud regulations and therefore does not tolerate any kind of fraud.

Examples of fraud include, but are not limited to:

- Forgery or alteration of bank drafts or any other financial document
- Diversion of payments
- Theft of company assets
- Misappropriation of company assets
- Creation of fictitious employees, vendors or customers
- Not reporting or underreporting income on the tax statements

10. Bribery

General information

The exchange of gifts and entertainment with business partners as courtesies is an accepted business practice. However, it needs to be ensured that these courtesies are not excessive, are not seen as bribes and are within acceptable limits. A bribe is defined as an offer or promise to give, the actual giving or authorization to give anything of value or another advantage in order to improperly influence the decisions or alter the behavior of the recipient.

Many types of bribes exist, examples are:

- Gifts
- Money/cash
- Loans
- Discounts
- Political/charitable contributions, donations or funding
- Absorption of travel or entertainment expenses
- Free of charge items
- Kickbacks/paybacks
- Lucrative future business/contracts

Kickbacks are usually bribes negotiated in advance in which a commission is paid to the recipient of the bribe for the services rendered. One of the most common forms are a vendor submitting fraudulent or inflated invoices with an employee of the addressee securing the payment for which the employee receives some sort of favour or payment.

Rules to follow

Testo employees must never offer, solicit, promise, give or accept a bribe, kickback or any other form of improper payment or benefit. The courtesies described above may never have the intention of improperly securing something in return, or resulting in preferential treatment. You can find further detailed information on gifts and benefits in the guideline "Accepting and granting benefits" on page 12.

Testo does not offer money or anything else of value – directly or indirectly – to government officials. Testo employees who deal with government officials must familiarise themselves with applicable restrictions on the official's ability to accept gifts or entertainment in order to avoid any violations.

Under certain anti-corruption laws, and similar laws of other countries, we are not only liable for the actions of our own employees, but also for those of our business partners.

If Testo conducts business with public agencies / government authorities, even the appearance of impropriety needs to be avoided. Most government agencies have their own procedures, policies and ethical standards for contractors. Each employee involved is responsible for learning and following the requirements of the agencies with whom they are working. The requirements can include but are not limited to: acceptance of gifts or entertainment, anti-corruption rules.

11. Accepting and granting benefits

General information

We expect our employees to show responsibility, personal integrity and reliability when it comes to accepting and granting gifts, other benefits or invitations. All relevant laws must be adhered to.

Cash payments may not be accepted or made. Accepting or granting any kind of vouchers is prohibited.

Business entertainment is also considered a benefit.

Accepting benefits

Accepting benefits from colleagues of your own department or other departments within the Testo-group at Testo's expense is not permitted. Excluded from this are invitations to business meals.

Accepting benefits from third parties with whom the company has a business relationship is only permitted if they:

- Do not result in any form of obligation towards the donor.
- Are not illegal or immoral in any way, for example invitations to night clubs or similar venues.

The above mentioned requirements are applicable for any kind of benefit (non-monetary gifts, invitations, etc.). Exact upper limits are defined country-specifically and written down in your company's local guideline.

Before accepting a benefit the employee must make sure that none of the above-mentioned requirements are violated. When in doubt, the immediate superior must be contacted. The superior can pre-approve exceptions for individual cases in written form.

The acceptance of benefits with a potential value of more than 5% of the recipient's monthly net income over the course of one year is always prohibited.

Granting benefits

Granting gifts and other benefits to colleagues of your own department or other departments within the Testo-group at Testo's expense is not permitted. Excluded from this are invitations to business meals. The specifications of the guideline "Business entertainment" apply (see below).

Gifts and other benefits for business partners in order to maintain the business relationship can be granted if the recipient can consider this benefit as fair and correct.

Employees show fair and correct behaviour when granting benefits if the following requirements are met:

1. In case of customer relationships:

- a. The gift or other benefit has a small value **below** _____.
- b. In case of a gift or other benefit with a value **higher than** _____ the written pre-approval of the Managing Director has been obtained.
- c. Invitations to nightclubs or similar venues are not permitted.

2. In case of business relationships with individuals other than customers (e.g. suppliers, co-operation partners), only invitations to lunch or dinner by the Managing Director are permitted.

Exact upper limits are defined country-specifically and written down in your company's local guideline.

Please keep in mind the guideline "Bribery" on page 11.

12. Business entertainment

All occasions with business entertainment by Testo employees must be approved. The detailed procedure, e.g. considering upper limits, is defined in a local guideline of your company.

In addition the guidelines about "Accepting and granting benefits" and "Bribery" on pages 11 to 13 must be adhered to.

13. Business trips

Approval and booking

Approval of business trips

- Business trips must always be approved by the immediate superior.
- Business trips must always be booked as early as possible in order to prevent higher costs due to delays in booking.
- Outside sales people (incl. on-site technicians), Sales Managers and Product Managers are excluded from the duty to obtain approval for a business trip, provided that the business trip is within their usual sales area or part of their usual business activities.

Booking of business trips

Specific rules can be found in the local guideline of your company.

Flights

Booking class

All flights on behalf of Testo must be booked in Economy Class. Exceptions must be authorised by a member of Testo SE & Co. KGaA's Board of Directors.

Frequent Flyer Programmes

Testo employees are free to participate in Frequent Flyer Programmes. The miles collected can be used for private purposes. It is recommended to use these miles for upgrading long-distance flights. Preferences for particular airlines due to a membership in a rewards programme are only allowed if the same price conditions exist.

Other means of transportation

For destinations which can be reached within 4 hours with other means of transportation, flights are not permitted.

Business trips by car

When using their own car, employees must be compensated up to the amount of the statutory expense allowance.

Business trips by train

Rail travel has to be booked in economy class.

Accommodation

Accommodation in hotels

It is expected that only appropriate hotels are booked. Details can be found in the local guideline of your company.

14. Travel expense reporting

General information

Travel expenses must be reported:

- timely (within 30 days)
- completely (all expenses must be stated separately)
- under consideration of national tax laws and
- with receipts only

The guidelines “Business trips” and “Business entertainment” on pages 13 and 14 must be adhered to.

Approval procedure

Each travel expense report must be approved by an authorised person

Credit card statement

1. The acquisition of company credit cards is at the discretion of the Managing Director.
2. Details concerning beneficiaries, duty of care while using the card and expense reporting can be found in a local guideline of your company.
3. No private expenses are to be paid with a company credit card.
4. Within one month after receiving the credit card statement, all receipts that account for credit card expenses must be submitted.

15. Company Car

All questions concerning the use of company cars are answered in a local guideline. Irrespective of the details of the country-specific guideline, all fines must be paid by the driver.

16. Purchasing

General information

Purchasing includes all transactions that include a legal obligation on behalf of Testo and that trigger a payment. Such transactions are for example: office supplies, investments, leases and services. Excluded from this guideline are intercompany procurement as well as procurement of production material, provided that a frame contract with the supplier exists.

Authorisation

Authorised employees of Testo subsidiaries are entitled to purchase on behalf of the respective Testo subsidiary. This authorisation is given by their Managing Director.

Purchasing

For the purchase of goods and services over the limit of _____ and for which no publicly stated prices are available, written quotations must be obtained in advance. In case of several quotations the decision-making process must be documented.

Regular purchases can be regulated within frame contracts. Negotiations must be conducted with at least two possible suppliers and the best offer must be selected. As a minimum the frame contract must include the terms, price and conditions and should be reviewed on a regular basis. Call-off orders from existing frame contracts do not require further quotations.

Orders must be placed in written form and with the exact specification stated. Verbal orders are not permitted. If an inventory management and procurement system is used, orders must be processed through this system. Contracts with a contract period over one year or with a total value above _____ always require approval by the Managing Director.

17. Personnel matters

The Managing Director is responsible for hiring, training and retaining employees.

Beyond your company's country-specific guideline about personnel matters, the following rules always apply:

1. Any salary agreements must be documented in writing.
2. Times of absence must be documented centrally. The documentation must include the duration and reason of absence.
3. Vacation days must have been taken by the 31.12. of each year. If permitted by law, unused vacation days expire on the 31.12.
4. If relatives of a superior are employed, pre-approval by the immediate superior at Testo SE & Co. KGaA headquarters is required. Relatives are e.g.: spouses, partners, parents, parents-in-law, sons- and daughters-in-law, (adopted) children, grandchildren, uncles, aunts, cousins, nieces and nephews. If you are not sure, the immediate superior at Testo SE & Co. KGaA headquarters or Internal Auditing has to be informed.
5. Employee loans are not permitted. Only the Testo SE & Co. KGaA Board of Directors can authorise exceptions.

18. Discounts

All questions concerning the granting of discounts to end customers and dealers are answered in a local guideline. The head of sales department must communicate and provide the discount guideline to all sales staff.

19. Payment transactions

In order to help protect Testo's reputation you should be on the lookout for any possible money laundering activities or irregularities in the way payments are conducted. "Money laundering" is defined as the process by which individuals or organizations conceal illicit funds or make them look as though they are legitimate. Such funds may be acquired through criminal enterprises, acts of terrorism, drug trafficking or tax avoidance. Any kind of money laundering activity is prohibited!

Indications of possible money laundering activities can be:

- Payments are made in currencies other than those stated on the invoice or contract.
- Payments are made to or received from countries unrelated to the transaction or someone not party to the transaction.
- Payments are made to or from an account other than the normal business relationship account.
- Overpayments are made and a refund is requested in cash or to another bank account.
- You are not able to identify the ownership of a counterparty or the counterparty does not provide details of its ownership.
- Unknown or unnecessary intermediates are involved without your fully knowing their role.

In general only bank transfers and no cash payments should be accepted. However in exceptional cases cash transactions are allowed up to an invoice amount of 1.000 €.

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