



sequa's "internal whistleblowing office"

Employer's obligations under the Whistleblower Protection Act

According to section 12 HinSchG¹, every employer with more than 50 employees is obliged to set up and operate at least one office for internal reports ("internal whistleblowing office") to which employees can turn. The employer is obliged to grant the whistleblowing office the necessary powers to investigate reports and take follow-up action.

Where is the "internal whistleblowing office"?

sequa has set up the internal whistleblowing office at Pro Honore e.V., Hamburg, (www.pro-honore.de). Attorney-at-law Dr. Malte Passarge, Hamburg, heads the Confidential Office for Hamburg Business of Pro Honore e.V. Dr. Passarge is an expert in white-collar crime and works as an internal whistleblowing office for several companies.

You can reach him at the telephone number (040) 45 00 00 79 and at the E-Mail address info@pro-honore.de. All information will be treated confidentially.

What does the "internal whistleblowing office" do?

All company representatives within the meaning of sequa's "Code of Business Conduct" (in short: "company representatives"), including of course all employees, can contact Dr. Passarge directly with information about possible misconduct, questions or suggestions.

Any company representative who has well-founded and comprehensible indications of criminal offences, improper business practices as well as other serious risks or breaches of rules should contact our ombudsman at an early stage in the interest of sequa, all employees and shareholders.

Of course, you can also continue to contact the management, the workers council, any superior or the Chairman of the Board of Directors with questions, suggestions or indications of misconduct.

¹ Hinweisgeberschutzgesetz HinSchG – Whistleblower Protection Act

Why was the internal whistleblowing office set up at Pro Honore e.V.?

Pro Honore e.V. is the contact for whistleblowers who - for whatever reason - do not wish to contact the management or other individuals in the company directly.

In addition to clear rules, a functioning compliance programme requires that compliance violations are detected in good time. In this context, Pro Honore e.V. has an important function. Dr Passarge is an external lawyer who receives hints on possible misconduct, by telephone, by E-Mail or, if desired, in a personal meeting. Due to the lawyer's duty of confidentiality and supplementary contractual agreements, Dr Passarge is able to keep the identity of the whistleblower secret at the whistleblower's request.

In our understanding, a whistleblower does not act in an uncollegial manner by contacting Pro Honore e.V.. In fact, the whistleblower ensures that the rules of the game, which must apply to everyone, can be observed and thus fair cooperation is guaranteed.

The system of the "internal whistleblowing office" therefore does not serve to monitor employees, but only to clarify serious misconduct to the detriment of the company and its employees.

What can you tell the "internal whistleblowing office"?

Pro Honore e.V. is the point of contact for confidential hints from company representatives that relate to

- company-related offences, i.e. offences committed by our employees in connection with their work for the company (e.g. fraud, corruption, embezzlement, breach of trust, theft, betrayal of business secrets),
- other forms of unlawful business practices, or
- abuses in the company that may cause danger to life or limb or significant damage to property or may significantly affect the reputation of the company.

What does Pro Honore e.V. do with the tips received?

After receiving a hint, Pro Honore e.V. carries out an initial plausibility check and, if necessary, consults with the person who gave the hint. Pro Honore e.V. then forwards the hint, together with an initial assessment, to sequa's management so that the case can be examined more closely.

However, Pro Honore e.V. will only take action if the person providing the information so wishes. The information provided will only be passed on if it is approved by the person providing the information and only to the extent approved (e.g. without stating the identity of the person providing the information or excluding certain details). This release can also be refused after the interview with Dr. Passarge.

The submission of anonymous hints is possible, but not desired, because Pro Honore e.V. is obliged to maintain absolute confidentiality anyway. Therefore, there is actually no need for anonymous hints. In

fact, anonymous hints make it more difficult to clarify the case, as queries are not possible. They can also arouse the suspicion of bad faith against a whistleblower and must always be treated with caution and restraint in order to protect those concerned from unjustified accusations.

sequa and Pro Honore e.V. will pay special attention to the critical examination of all reports, especially those submitted anonymously, and of course always respect the presumption of innocence. We will not tolerate any abuse of the internal whistleblowing office, for example through unjustified hints.

What happens in the case of unfounded suspicions?

The provision of information, even in the case of unclear suspicion, is an exemplary, courageous and loyal behaviour that has nothing to do with denunciation. This applies even if a tip-off given in good faith turns out to be unfounded after a thorough investigation.

A whistleblower is considered to be acting in good faith if he/she has perceived indications of wrongdoing and considers a suspicion of a criminal offence to be justified. Good faith is not affected if such suspicions later turn out to be unfounded. Often a legal assessment is very complex and an initially justified suspicion may turn out to be unfounded. However, even behaviour where one "only" has a disturbing feeling can turn out to be unlawful upon closer examination.

Anyone who deliberately gives false information against his or her better knowledge, or deliberately conceals exculpatory or otherwise important information in order to incriminate another unjustifiably, is acting in bad faith. We will not tolerate this and urge all informants to give an objective and factual account of the facts.

How is confidentiality guaranteed for the whistleblower?

sequa and Pro Honore e.V. guarantee unrestricted confidentiality for all communication between whistleblowers and Pro Honore e.V. This includes both the identity and the information communicated. For this purpose, sequa has irrevocably waived all contractual and legal claims for information against Pro Honore e.V., unless the whistleblower has given a release.

sequa undertakes not to impose any sanctions or similar measures on bona fide whistleblowers and will protect bona fide whistleblowers from reprisals by third parties as far as possible.