

COMMISSION PAYMENT POLICY CTS GROUP



1 INTRODUCTION

High standards of professionalism and ethical behavior are essential for CTS Group Holding B.V. and its operating companies ("CTS") in order to implement our strategy and realize our goals. Management of CTS relies on the ability of all employees to exercise sound judgment on compliance with applicable laws and regulations, on integrity and ethics in business conduct and on maintaining our reputation in each and every situation.

In general, if you are in doubt about what to do, you can ask yourself the following questions:

- Does it feel like it is the right thing to do?
- Is it legal and consistent with our values and our Code?
- Does it reflect well on CTS?
- Would I still accept full responsibility if my decision or actions were made public?
- Would I do the same if it were my own business, relations or money?

If your answer to any of these questions is 'no', or if you are uncertain, seek help by discussing the matter with your colleagues or seek guidance from your manager or next higher level manager in the hierarchy chain up to and including the management of CTS.

This Commission Payment Policy communicates our way of working when dealing with commission payments and the rules which each of us must observe when acting for or on behalf of CTS.

2. BEST PRACTICES WHEN PAYING COMMISSION

It should be clear that no part of any commission shall be paid, directly or indirectly, to: (i) any government official; (ii) officers or employees of any of the parties; or (iii) any other third party, if the purpose of the payment to such other party is to unduly influence the award or performance of the contract.

The following principles shall be followed by CTS in order to manage risks related to payment of commissions to third parties.

- All parties paying or receiving commission must be fully disclosed with accurate details within the CTS company administration. Commissions will only be paid to those identified in accordance with international legislation and taxation requirements. These commissions must be pre-approved before the order is awarded. If companies, individuals, agents, or distributors receiving commissions from CTS have the potential to influence a third party in the awarding of a contract without being employed or engaged by that third party, and if there could be a conflict of interest between the involved entities, CTS must inform the third party about the commission being paid to a named third party to allow for review;
- We shall establish protective / due diligence routines to verify each recipient's role and that the commission to each recipient is payment for lawful services provided;
- We shall verify the standard commission rates in the relevant market, pre-approved, and implement a routine in order to identify non-standard commissions (structure or level). Such commissions shall be subject to internal review and express approval;

- Commission rates shall be stated in full in the contract ensuring transparency amongst the parties involved; and
- Any changes with regards to the commission structure/rate or payment details shall be made in writing (e.g. through an addendum) and signed by the original parties.

3. SUSPECTED IRREGULARITIES

Each person is encouraged to speak up. Report any (suspected) violation of this policy and any other (suspected) irregularity of a general, operational or financial nature relating to CTS to your manager, your next higher level manager in the hierarchy chain up to and including the management of CTS. CTS ensures that the employee who has in good faith made a report will not need to be concerned with any consequences for your position.

Further guidance about reporting a (suspected) irregularity is provided in the Speak up Policy.

RIGHT TO SPEAK

**Speak up
if you think
something's not
right.
If you believe there
has been a violation
of the Code of
Conduct:**

1. **Discuss with the person(s)
involved**
or
2. **Talk to your manager**
or
3. **Talk to HR or the
Management of CTS**
or
4. **Report your concerns
anonymously using
SpeakUp:**

