



CODE OF BEHAVIOUR FOR DEUTZ AG

1 PURPOSE

With the enclosed code of behaviour the DEUTZ management board expressly commits itself to the obligation for responsible, ethically unobjectionable and legally correct action.

All employees and managers are kindly requested to also respect the rules of the code and use them as a guideline for all their actions.

2 AREA OF APPLICATION

Area of application is the DEUTZ Group. The guideline becomes effectively immediately.

3 GUIDELINE DEFINITION

The code of behaviour describes and explains the goals and rules which reflect our obligation for responsible, ethically unobjectionable and legally correct action.

- **Law abidance**

DEUTZ undertakes to abide by the law. All employees must respect and abide by the valid laws and official regulations. The same also applies for internal instructions and regulations of DEUTZ. In the case of overseas activities and business transactions the essential social norms applicable in the appropriate country must be observed in addition to the pertinent laws and regulations.

- **Integrity**

- Handling gifts and gratifications

Employees may not demand or accept services, gifts or advantages from customers, suppliers or other third parties which influence or could influence their activity for DEUTZ. No employee may offer, promise or grant customers, suppliers, officials or other third parties services, gifts or advantages to secure favours for DEUTZ from them or from third parties.

Gifts and invitations must be within a reasonable scope and may not aim at or give the impression that they are aimed at improperly influencing business decisions. The answer to the question whether gifts or invitations are reasonable is determined by normal business practice. Country-specific special features must also be taken into account. All appearance of impropriety and incorrectness should be avoided. Strict standards must be applied especially in relations with the representatives of public institutions. In cases of doubt, Employees should consult their superiors or the Compliance Officer.

Gifts which go beyond a certain limit (20 Euro) and invitations beyond a normal business lunch must be reported to the superiors and require their permission. The acceptance of direct financial gifts is expressly prohibited without exception.

- o Fair competitive behaviour

DEUTZ is obliged to observe the principles of the market economy and fair competition. DEUTZ's business is run exclusively according to the performance principle and on the basis of free, unhindered competition. Suppliers, representatives or other intermediaries are only selected according to a careful and objective assessment of their performance. DEUTZ meets its legal obligation to make business decisions in the best interests of the company independently of agreements or deals with competitors. The excellent quality of our products is the key to DEUTZ's success.

- o No corruption or bribery

DEUTZ will tolerate no form of bribery or corruption and will supervise the observance of this principle by its employees.

In addition, situations must be strictly avoided which do not in themselves constitute bribery or corruption but still give the impression that subjective considerations could have influenced decisions by DEUTZ or customers, suppliers, officials or other third parties because such situations can also be considerably harmful to DEUTZ's reputation.

The principles for handling gifts and gratifications and for fair competition described earlier in this code of behaviour represent rules of behaviour which should help employees to avoid such situations. However, since constellations are conceivable in which employees themselves are unable to judge whether certain behaviour is conformant with the rules, they should consult their superiors or the DEUTZ Compliance Officer if in doubt, to enable clarification of the matter in advance.

- o Illegality of insider transactions

Employees may not use insider information illegally. This includes such information about circumstances with regard to companies listed on the stock market or their stocks, especially of DEUTZ AG and its shares, gained by employees which is not public knowledge and which could have a considerable influence on the stock market or market price in the event of it being disclosed to the public. Such information is relevant when a careful investor would consider it for an investment decision. This includes for example:

- the sale or purchase of companies or important assets as well as Joint Ventures or mergers;
- Restructuring measures or increases in capital;
- the conclusion or termination of important contracts;
- Developments in important court proceedings.

Illegal use of insider information in particular is:

- the use of insider information for your own or external stock transactions;
- the disclosure or provision of insider information to others;
- giving recommendations to others for the purchase or sale of stock based on insider information or inciting them in some other way.

Insider information may only be passed on to person within DEUTZ who are authorised by their position to receive such information.

Insider transactions are liable to prosecution and can lead to legal action being taken against the respective employee. The rules of the stock trading law are referred to expressly.

Please see the insider guideline which was published in November 2008 with the V-Bulletin 2008-09 for further details.

o Handling conflicts of interest

Every employee must ensure that his private interests do not come into conflict with the interests of the company.

A conflict of interest exists when an employee or members of his family (spouse, common law partner, children or other relatives who live in the same household as the employee) is involved in external activities which could affect the employee's objectivity in the execution of his duties. Such activities include in particular part-time employment for customers, suppliers, service providers and competitors or significant financial interests or shares in these.

Insofar as an employee has or could have a conflict of interest or insofar as the mere hint of a conflict of interest could arise, the respective employee must notify his superior or the Compliance Officer about these circumstances immediately.

o Money laundering

All employees must ensure that DEUTZ cannot be abused for money laundering or other illegal purposes. Money laundering refers to financial or economic transactions with which illegally obtained liquid funds are introduced into the legal financial system. Reference is made expressly to the regulations governing the illegality of money laundering according to criminal law.

Employees should obtain sufficient information about the business environment of the contract partner, the contract partner himself and the purpose of the intended business before a major business transaction especially.

Evidence of money laundering is present for example in the case of

- unusual cash payments;
- payments in currencies which are not specified on the appropriate invoice;
- payments made by a third party and not by the actual contract partner unless this was agreed as such;
- payments made by several transfers or cheques with regard to one invoice or invoice block;
- money transactions which bypass the orderly accounting;
- attempts to proceed as described above or inquiries whether such a procedure would be possible;

Employees must inform their superiors or the Compliance Officer immediately in case of doubt or suspicion of irregularities.

- Embargo and trade control regulations

As a globally operating company with world-wide business activities DEUTZ must observe the national and international laws or embargos which restrict or prohibit the import, export or domestic trading of goods, technologies or services with certain products as well as capital and payment transactions.

Every DEUTZ employee must observe the appropriate control conditions. In particular it must be checked whether official permission is necessary and whether this has to be obtained.

DEUTZ employees who have any questions in this context can contact Karl-Ulrich Werkmeister (e-mail: werkmeister.k@deutz.com, Phone 5510).

- **Handling company property and secrets**

- Company property

Company installations and property must be handled with care. Every DEUTZ employee is obliged to protect the company assets. The company assets may only be used for permissible business purposes and on no account for illegal purposes. The DEUTZ-internal regulations must be observed for the use of company operating equipment and resources (including telephone, computers, Internet and other information technology). Use of the company property and company installations for private purposes is prohibited unless expressly allowed by the regulations mentioned.

- Company secrets and data protection

Our inventions and our know-how are extremely important for the long-term success of our company. For this reason, DEUTZ employees must protect intellectual property against unauthorised disclosure to third parties and unauthorised access by third parties. The intellectual property includes company secrets, confidential information, copyrights, trademarks and logos as well as customer lists, business opportunities and product specifications. All employees are therefore obliged to observe the necessary security standards for protection of data both in personal relations and in electronic communication with third parties.

- **Behaviour towards of business partners and colleagues**

- Business partners

Our business partners (customers, sales partners, suppliers) are at the centre of our activities. The relations to our business partners should be dictated by mutual reliability and sustainability. The business partners expect honest action, polite behaviour, respect and fairness from us. This also includes making and communicating decisions transparently and understandably.

- Employees

DEUTZ tries to offer all persons equal career opportunities and expects all employees to respect the personal dignity, privacy and personal rights of every individual. Discrimination or harassment in the working environment whether due to race or ethnic origin, gender, religion or philosophy, impediment, age or sexual identity will not be tolerated. Violence in any form and especially assaults at work including threats and intimidation are prohibited at DEUTZ.

- **Social responsibility**

- Private activities

The private activities of an employee in clubs, parties or other public, political or social institutions or associations are welcomed by DEUTZ. However, this commitment may not endanger the employee's fulfilment of his contractual duties to the company.

- Public statements

An employee must obtain permission from a superior before publishing texts, holding a speech, giving an interview or appearing in public in connection with his activity at DEUTZ. When expressing his private opinions in public, a DEUTZ employee may not refer to his position in the company.

- **Responsibility for health, safety and environment**

- Protection of the environment

The responsible treatment of the environment is a matter of course for DEUTZ. The ecological aspect must also be taken into consideration in addition to economical aspects in the choice of suppliers and service providers. DEUTZ employees are called upon to promote the development and distribution of environmentally friendly technologies in the course of their working activity.

- Health and work safety

DEUTZ strives to ensure a healthy and safe working environment for its employees. DEUTZ therefore observes the valid regulations for health and work safety. Illegal drugs are prohibited at work.

- Plant and product safety

Plants require careful planning and regular inspection and maintenance. DEUTZ employees must be thoroughly instructed, trained and supervised. Operating failures, accidents and faults can only be avoided when these measures have been taken.

To guarantee our customers' safe handling of the products, the responsibility for a product must be accepted for the entire product cycle. This requires constant observation. Detected or potential risks resulting from handling of the product must be reported immediately to the superiors. The buyer of every product must be instructed as to the possible risks associated with its use.

- **Observance of the code of behaviour**

- Consequences of violations

Every DEUTZ employee is responsible for ensuring that his behaviour is compliant with this code of behaviour.

DEUTZ will take appropriate measures to clarify violations of this code of behaviour. DEUTZ will especially try to explain the importance of these values to the employee and to convince him to behave differently in the future. However, disciplinary measures within the scope of the applicable law are also possible in the case of violations of this code of behaviour.

- Clarification of questions and receipt of information

In case of questions or information with regard to this code of behaviour, DEUTZ employees can contact the Compliance Officer at DEUTZ AG, Dr. Ralph Wagner (e-mail: wagner.r@deutz.com, Phone: 5100).

4 RESPONSIBILITIES

Every employee of the DEUTZ group is responsible in his workplace to observe the rules of this code of behaviour.

5 RELEVANT APPLICABLE DOCUMENTS

- Organizational Guideline Nr. 164 ("Exportkontrolle")
- Insider Guideline (ORG-RL No. 2)