

Corporate Compliance Policy at HORNBAACH HOLDING AG Guarantee of permanent success

In the current competitive climate, only those companies which manage to sustainably convince their customers by offering innovation, quality, reliability and fairness will succeed on a permanent basis. We believe this requires compliance with legal regulations and a consistent, dependable corporate culture based on the following indispensable principles.

I. The principles underlying our Corporate Compliance Policy

1. We act with integrity in our business dealings

Corruption is not tolerated at HORNBAACH.

2. We compete fairly and respect third-party property rights

HORNBAACH is unreservedly committed to competition based on fair means, and in particular to compliance with antitrust laws. We respect third-party property rights.

3. We protect our internal expertise

Internal company information may not be passed on to third parties or made public.

4. We ensure equal access to information for securities trading

Suitable organizational measures are in place to ensure compliance with the specific requirements governing price-sensitive information in the German Securities Trading Act (WpHG).

5. We comply with export, monitoring and custom requirements

All national and international export, monitoring and customs requirements are complied with.

6. We separate company and personal interests

All employees always separate their own personal interests from those of the company. Personnel decisions and business relationships with third parties are based on objective criteria.

7. We ensure correct documentation and financial reporting

Internal controlling systems are in place to ensure that business processes are documented correctly. Information relevant to invoices is documented correctly and completely.

8. We are cooperative in our dealings with authorities

HORNBAACH maintains cooperative relationships with public authorities. Information is provided punctually and in complete, accurate and comprehensive form.

9. We promote equality of opportunity (diversity)

HORNBAACH does not just tolerate the individual diversity of its customers and employees – it singles out diversity as an asset in its own right. No discrimination or harassment of any kind is tolerated.

10. We are committed to sustainability

HORNBAACH is aware of its responsibility to protect both the environment and people's health and safety.

II. Measures to ensure compliance

At HORNBACH, compliance with legal requirements is expected and monitored continuously, with penalties being imposed when necessary.

1. HORNBACH respects all applicable laws and expects the same from its employees and business partners. In this, the company provides its employees with appropriate assistance, e.g. with training measures and opportunities to obtain advice.
2. All employees are required to report any breach of the rules immediately.
3. Each manager is responsible for ensuring compliance with the requirements of the Corporate Compliance Policy.
4. HORNBACH HOLDING AG has appointed a Chief Compliance Officer who bears responsibility for the introduction and permanent optimization of the organizational structures necessary to ensure that these guidelines are adhered to across the Group. Compliance Officers are also to be appointed at all operating group companies in Germany and abroad. These should assist the Chief Compliance Officer in advising and training employees and in investigating compliance matters. When necessary for the successful implementation of group compliance, Compliance Officers may also be appointed for specialist departments.
5. The group audit department regularly audits compliance with the Corporate Compliance Policy.

Neustadt an der Weinstrasse, March 29, 2010
The Board of Management