

COMPLIANCE REPORT 2018

Compliance is of the utmost importance for the Executive Board and Supervisory Board of VARTA AG. The term compliance refers to measures aimed at ensuring that the conduct of the company, the executive bodies and the employees is lawful. As an international company, VARTA AG is subject to a number of laws, guidelines, regulations and provisions. To this end, the company has also introduced a fundamental code of conduct, to which the company and its employees are obliged to adhere. This code of conduct defines standards for ethical and lawful conduct. VARTA AG is committed to complying with the highest possible ethical and legal standards in its dealings with shareholders, employees and business partners in addition to our competitors and society in a more general sense.

The code of conduct serves to emphasize VARTA AG's corporate culture and values. VARTA AG conducts its business in compliance with legal and ethical standards and in accordance with all applicable legislation and regulations.

The management of VARTA AG sets an example to all employees, providing them with ongoing support in adhering to the applicable regulations. It has communicated the code of conduct to employees and alerted them to the consequences of a breach of these principles. VARTA AG has appointed a Chief Compliance Officer. The role of the Chief Compliance Officer is to direct the international implementation of the compliance program and to ensure that the compliance system is updated and adapted on an ongoing basis.

The compliance system focuses specifically on capital market law, antitrust law and prevention of corruption. Appropriate corporate policies have also been put in place which regulate, for both members of the Executive and Supervisory Boards and employees, aspects in relation to trading VARTA AG securities as well as fit and proper dealings with insider information and managing insider information regulations.

The compliance report structure indicated that no compliance breaches were detected in financial year 2018. All suspected cases of compliance breaches are recorded and investigated internally at VARTA AG in line with standardized criteria.