



Our company's reputation is everyone's responsibility.

Dear colleagues!

At KGM, we strive for exemplary quality in our products and processes, and also in our conduct. This is based on the values that we have long held in our corporate policy and which we constantly update.

The conduct of every KGM employee has a significant impact on our company's reputation. As the management of KGM, we have therefore decided to summarise the basic rules in this Code of Conduct, which we expect all employees to observe with regard to ethical conduct in business dealings. With the approval of the works council, this code becomes binding on all employees.

For us, the guiding principle of a businessman acting with integrity and the basic values of the German constitution are what govern our conduct and based on this guiding principle, the code sets out concrete examples. In addition, it aims to promote an awareness of problematic behaviour. The important here is that justice and the law are complied with and that the interests of KGM are not unduly impaired.

We expect all employees to act in accordance with this code and its appendix, as well as with KGM's values, and to be aware of their responsibility for our company's reputation. This reputation is invaluable to us.

1st Overriding principle

We act in accordance with the law.

We comply with the laws of the countries in which we operate. This is in line with our basic values and applies regardless of any potential penalties.

Illegal acts are not in the interests of our company because they are unethical, lead to serious damage to our reputation and may result in prosecution, damages and loss of contracts.

Employees who act illegally must be aware that they themselves are at risk of prosecution. Lawful conduct therefore serves the employee's own protection. This is especially true in countries where criminal prosecution does not always comply with the rule of law.

Every employee is obliged to familiarise himself/herself with the regulations applicable in his/her area of responsibility and to comply with them. In cases of doubt, line managers must be consulted for clarification.

2nd Safeguarding fair competition

We believe in fair competition.

We do not coordinate our competitive behaviour with competitors and we abide by the laws to protect competition. In particular, it is prohibited by law to agree prices and conditions, to divide markets and regions, to allocate customers and to coordinate supply, development or production strategies.

Violations of these prohibitions are consistently pursued by the antitrust authorities and can lead to penalties that jeopardise the company's existence.

3rd Bribery, gifts and other donations

We reject bribery.

Bribery is unethical, illegal and involves a high risk for our employees and our company. Bribery is therefore not in the interest of KGM and must not be avoided at all times.

We do not offer our business partners any inadmissible benefits and do not avail of them. We are reluctant to accept and award gifts and other donations. Exactly when our employees are allowed to accept gifts has been laid down by KGM in the appendix to the Code of Conduct. Any grey areas must be agreed with the management.

Gifts and donations must never be designed in such a way that the recipient's acceptance of them must be concealed or that the latter is put under a morally dubious obligation. The approach with public officials should be extremely restrictive; the legal provisions here are very strict worldwide.

Commissions and remunerations to be paid to dealers, brokers or advisors may only be paid for permitted and actual services provided and must be proportionate to such services.



4th How we deal with each other

Our behaviour is characterised by mutual respect.

Our work together is characterised by mutual respect for each other, regardless of any hierarchical position. No one is discriminated against on the basis of race, gender, age, social standing, sexual orientation, political mission, religion or belief.

KGM would like to offer an open and positive working atmosphere and to be considered a role model in how its colleagues work together. We do not lower ourselves to violent, offensive or vulgar expressions, neither in language nor in correspondence. In our dealings with each other, we refrain from any attempted intimidation and manipulation and treat each other honestly and sincerely.

We are committed to complying with the labour laws and collective bargaining agreements that apply to us and guarantee the rights of workers' and trade union representatives, not without demanding that they too act with respect. The company management and the employee representatives (works council) work together constructively and goal-oriented in matters that are subject to co-determination for the benefit of the employees and the company.

5th Sustainability

KGM is committed to acting economically, ecologically and ethically.

KGM's business success leads to the safety of our employees' jobs. The consistent focus on profit-oriented action ensures that we make a lasting contribution to social welfare by securing jobs.

Our natural resources are limited, and as a manufacturing company we consume a certain amount of raw materials and supplies in the manufacture of our products. Nevertheless, we avoid unnecessary consumption and waste and, wherever reasonable and possible, we prefer the reuse of used goods to the purchase of new items. KGM obtains its energy, as far as economically justifiable, from renewable energy sources.

KGM condemns wars and violence. We strive to bring our products into civilian applications and we deliberately refrain from doing any business in which our products are used as active ingredients in military weapons.

We condemn child labour and demand that our suppliers and service providers do not employ children. KGM adheres strictly to the provisions of the Youth Employment Protection Act.

6th International trade

We comply with the rules governing cross-border trade.

This applies in particular to the observance of existing import or export restrictions, obtaining the necessary permits and paying the established duties and taxes. In any grey areas, line managers must be consulted.

Compliance with these regulations is subject to regular inspections by the authorities. KGM may be subject to substantial sanctions for any violations.

7th Production safety, occupational safety and environmental protection

We avoid dangers to people and the environment.

We place the highest demands on the quality and safety of our products and services. We monitor the performance of our products on the market and help customers avoid hazards. We ensure a safe working environment. Safety regulations must be strictly adhered to and constantly checked in terms of their effectiveness. Any irregularities must be pointed out and remedied immediately and special responsibility for this lies with line managers.

We use natural resources sparingly and strive to do the same for our products. We avoid harmful effects on the environment and compliance with environmental protection laws is a matter of course for us.

8th Avoiding conflicts of interest

We promote the interests of KGM and avoid anything that runs contrary to these interests.

Any ancillary business activities require the prior consent of KGM and this applies in particular to ancillary activities for market facilitators, customers or suppliers of KGM or financial interests therein. If close family members (family members to the first or second degree) are engaged in such activities or participations, KGM must be notified.

We strictly separate business and private interests and do not use our activities at KGM to gain any private advantages. Commissioning business partners for private purposes must be avoided and business partners must not be given preference for private reasons.



Code of Conduct

of KGM Kugelfabrik GmbH & Co. KG

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9th Company property and commercial secrets

We protect the intellectual and material property of KGM.

We treat equipment carefully and on line with its purpose. We do not use operating resources - including desktop computers, notebooks, landlines and mobile phones - for private purposes, unless this is explicitly permitted.

We handle KGM's assets responsibly and any unnecessary costs must be avoided. We make business decisions based on commercially comprehensible analyses of opportunities and risks. In doing so, we also factor in the integrity of our business partner.

As a technology company with high expenditure in process development, KGM is particularly dependent on the protection of its know-how. We therefore treat commercial secrets with particular care and every employee must ensure that confidential information does not reach unauthorised third parties. This also applies in particular to confidential information that we receive from our business partners. If special confidentiality is required due to special circumstances (e. g. in the case of sensitive development projects of customers or company acquisitions), we also maintain this confidentiality vis-à-vis colleagues.

Employees have the (co-)obligation to maintain their competence and further training based on their field of activity. They pass on organisation-specific knowledge and experience to other, younger employees, thereby contributing to the retention of knowledge and motivation of other employees.

10th Data protection

We handle personal data responsibly.

We use the personal data of our employees and contractual partners exclusively for the purposes for which it is provided to us and treat it confidentially. The laws enacted for the protection of personal data must be strictly observed.

Matters relating to an employee's employment contract are subject in particular to personal data protection. Disciplinary issues are discussed exclusively with supervisors based on the organisational chart, and with the HR department and management. Under the relevant laws and standards, each employee is free to involve the employee representatives.

11th Documenting business transactions

We document essential business transactions comprehensibly and promptly.

Both internal and external reports must be correct and complete, so that the recipient can get an accurate picture. In doing so, we adhere to the presentation of facts and factual expressions. We avoid any hasty conclusions.

Documents that are required for ongoing or expected internal investigations or official investigations must not be destroyed, removed or altered.

12th Scope, whistle-blowing provisions and entry into force

This Code of Conduct is binding for all employees of KGM Kugelfabrik GmbH & Co. KG.

This Code of Conduct is – in its German version – binding for all employees of KGM Kugelfabrik GmbH & Co. KG.

All employees of KGM Kugelfabrik GmbH & Co. KG are bound by the provisions of this Code of Conduct. Our managers, who are called upon to exemplify KGM's rules of conduct and values, have a special responsibility. It is the responsibility of line managers to act as the first point of contact for their employees when they have questions about proper conduct in individual cases and to ensure compliance with this code in their area of responsibility.

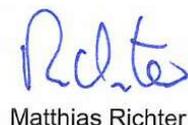
If an employee becomes aware of any violation of this code, the management or personnel management must be informed immediately. We guarantee that every notice is treated confidentially and guarantee anonymity (whistle-blowing provision).

We encourage our suppliers, service providers and business partners to also establish and follow a code of conduct.

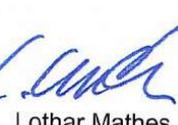
This Code of Conduct comes into force on 01.12.2017 and replaces all previous versions.

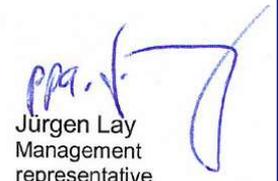
Fulda, November 16, 2017


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