

PASSION CREATES INNOVATION

CODE OF CONDUCT OF THE POLYTEC GROUP

Integral and responsible operation is an essential and elementary component of the business culture of the POLYTEC GROUP. We are making a further consequent step to comply with our local and global responsibility by introducing the following Code of Conduct.

On our Code of Conduct we describe our mission statement, the values of which we agree with and with which we all want to work with. It gives us a clear image for the use of ethical norms such as integrity, openness, honesty and law-abidance. The adherence to all the legal regulations and internal rules applying to POLYTEC Holding AG is the basis of the cooperation of our employees with shareholders, owners, authorities, publicity, clients, suppliers, service providers, colleagues, competitors and other business partners.

It is the foundation of morally, ethically and legally perfect conduct of all our employees as well as business partners of the POLYTEC GROUP and thereby a significant part of our company culture.

Hörsching, in December 2018

The Management Board

I. SIGNIFICANCE

The POLYTEC GROUP as a leading developer and manufacturer of high-quality polymer solutions is subject to multiple business, political and legal conditions on grounds of its international activity.

Breaches of the legal conditions can lead to large financial and permanently damage to the reputation of the POLYTEC GROUP. Our mission statement PASSION CREATES INNOVATION¹ is a fixed part of all our current and future activities, decisions and plans. We focus on prevention, which is why in this Code of Conduct we provide a framework and consult and support our employees on their responsibilities with our compliance organisation. We want to avoid uncertainty and strengthen independence. We are thus committed in particular to the consistent adherence to the legal regulations and to an open dialogue between shareholders, owners, authorities, the public, clients, suppliers, service providers, colleagues, competitors and other business partners, to protect resources and keep to a minimum respectively minimize environmental damages through the use of the best available and financially sensible technologies as well as on-going improvement of the environment and energy related services including energy and material efficiency.

II. AREA OF APPLICATION

This Code of Conduct applies without exception to the management board, all managing directors and employees of the entire POLYTEC GROUP as well as to all our business partners and shareholders. Each individual employee is responsible for his/her own adherence and implementation of this Code of Conduct. Employees also include persons who are equally employed for functions of the internal employees (e.g. temporary staff).

The management of the company group must set an example to the employees in living practice. They must teach their employees the ways of this Code of Conduct, monitor the adherence to it and, if necessary, train them with the support of the responsible departments within the group. In the event of lack of clarity or questions from employees, their respective managers, superiors and the respective compliance-, respectively legal department of the POLYTEC GROUP will be available for support. Inquiries can be made directly to the legal department or transmitted over the compliance mailbox².

III. BEHAVIOUR IN THE BUSINESS ENVIRONMENT

Adherence to rights and laws

With regard to all business actions and decisions the rules and other external or internal regulations in the group shall be strictly adhered to. All employees of the POLYTEC GROUP are obliged to inform themselves comprehensively of the respective laws, provisions, directives and regulations and to get consultation and support in the event of any doubt.

Fair and free competition

The POLYTEC GROUP stands for technological competence, innovation, client-focus and motivated and responsibly behaved colleagues.

Relationship with Clients

Through our contact with clients we strongly distinguish the aim to create a lasting and positive impression of our business. Thus we

adhere to all the legal regulations and treat our clients the way we would wish to be treated ourselves.

We conduct orders in a fair way based on the quality and price of our innovative products as well as creative solutions and not on basis that we offer unfair advantages to decision makers in private companies or members of the public sector.

Relationship with competitors

Professional, transparent and fair behaviour on the market puts the interests of the individual group companies and thus also ensures the competitiveness of the POLYTEC GROUP as a whole. A limitation of free trade and breaches of competitive and anti-trust regulations can have damaging consequences for the POLYTEC GROUP and its affected employees. In particular severely high monetary fines and damage compensation payments and, even prison sentences can be imposed in some legal cases.

- We thus adhere to all national and international legal syndicate and competitive regulations.
- We do not participate in price negotiations on the market or agreements on market behaviour between competitors.
- We conclude no agreements or arrangements on sham offers.
- We are not influenced in regard of the resale prices demanded by our clients and do not try to limit the import or export of POLYTEC GROUP goods delivered to the clients in any form at all.
- When working with unions or pooling of interest groups we take care to adhere to the restricted practices behaviour guides.

Relationship with suppliers

We refuse all types of corruption and bribes. The POLYTEC GROUP maintains no business relationships whatsoever, which result from the breach of laws or business regulations for the guarantee or acceptance of favours. A possible increased turnover – of whatever sum – cannot justify illegal business conduct. This applies without exception (zero tolerance). We therefore maintain trusting and fair business relationships with our suppliers. Our Procurement departments are responsible for purchasing goods and services at optimal conditions. Bypassing the Procurement department can lead to disadvantages. Thus all purchase regulations must be strictly adhered to.

We make our business decisions exclusively in the interest of the POLYTEC GROUP. Therefore, all employees are strictly forbidden, directly or indirectly, to respond to offers or accept advantages if business transactions are influenced in an unpermitted manner, or even if only such an impression could arise. Such advantages include, in particular, presents not only of low or high value, invitations and hospitality which exceed the usual conventions as well as opportunities to purchase at conditions not normal to third parties.

Avoidance of conflicts of interest

Employees of the POLYTEC GROUP are obliged to avoid situations where their personal or financial interest could be in conflict or could come to be in conflict with the interests of the company. If such conflicts of interest cannot always be avoided, the POLYTEC GROUP obliges its employees to be transparent in regard to such matters. If they should, however, still arise, they must be solved taking into account rights and laws as well all the applicable group regulations. Inquiries about actual or potential conflicts of interest can be made directly to the legal department

¹ <http://www.polytec-group.com/de/Die-Gruppe/Concept>.

² mail to compliance@polytec-group.com

or transmitted over the compliance mailbox³. Conflicts of interest can arise particularly in connection with the following topics:

- Business secondary employment, which also includes the cooperation in supervisory boards or advisory committees in third party companies.
- Financial commitment with competitors or business partners of the POLYTEC GROUP, in particular with clients or suppliers. Excluded from these obligations are small holdings of shares in stock exchange registered companies insofar as they represent a usual asset management.
- Transactions with business partners, in which on the part of the business partner, participants or direct negotiating partners are close relations must be reported.
- Close relationships within the same department.

Money laundering prevention

The POLYTEC GROUP complies with the legal obligations on the prevention of money laundering and does not participate in money laundering activities. Financial transactions, in particular under the influence of cash, which could cause suspicion of money laundering, must not be undertaken.

IV. BEHAVIOUR TOWARDS COLLEAGUES AND EMPLOYEES

Equal treatment and non-discrimination

Every employee is unique, valuable and to be respected for his/her individual capabilities. We make no discrimination against anyone on grounds of ethnic, national or social origin, skin colour, sex, religion, philosophy of life, disability, sexual orientation, political stance – insofar as these are based on democratic principles and tolerance of dissent -, or other legally protected attributes. We maintain the culture of open communication and appreciation. This includes the right of all employees, after unsatisfactory individual conversations and in order to avoid any company damaging individual interests of the direct superior, which may be damaging to the company, to seek communication with higher-ranking superiors.

Human and employee rights

We heed and protect the regulations applying globally for the protection of human rights as a fundamental and universal task. We employ neither forced labour nor child labour and adhere to the regulations set forth in the ILO-conventions 138 and 182 on the minimum legal age for the employment of children. The right of appropriate remuneration is recognised for all employees. The payments and other services correspond at least with the respective national and local legal norms.

Health and security

The security and health of our employees are an equally ranked business goal with the quality of our products and our financial success. We take care to provide a safe working environment. Regulation of accident prevention and accident avoidance must be strictly adhered to and constantly checked for their effectiveness and up-to-date status. Each of our employees promotes safety and health protection in his/her area of work and adheres to the regulations on work and health security. The same safety standards apply to employees at sub-contractors under contract to us acting as for our own employees. Our suppliers have to ensure these safety standards.

The suppliers and business partners of the POLYTEC GROUP adhere to all the applicable product security regulations and

requirements in each case. In particular they adhere to the legal regulation regarding security, identification and packaging of the products as well as the use of dangerous substances and materials.

V. BEHAVIOUR WITHIN THE COMPANY

Sustainable environment and climate protection

Sustainable environmental and climate protection as well as resource efficiency are all important company goals for us. We thus adhere to all the valid conditions and standards concerning environmental protection and strive towards the continuous improvement of environment compatibility of our products, the optimisation of energy efficiency standards and the reduction of the use of natural resources, taking into account financial viewpoints. Each employee hereby is responsible for handling natural resources in a protective manner and, therefore, contributes to the protection of the environment and climate change by individual behaviour.

Sustainable and social raw material procurement, such as compliance with due diligence to promote responsible supply chains for minerals from conflict-affected and high-risk areas (OECD Guidelines), is therefore of great concern to us. Also our suppliers have to ensure this.

Public appearances

We respect the right of free expression of opinions as well as protection of personality rights and the right to privacy. The regard and reputation of the POLYTEC GROUP must also be preserved in the private sector. In the event of private expression of opinions we take care that we do not connect the respective function or activity within the group with the private expression.

VI. HANDLING OF INFORMATION

Reporting

The POLYTEC GROUP is raised on strong values: reliability and honesty, credibility and integrity. Thus we value open and truthful communication concerning our business procedures between our investors, clients, business partners, the public in general and state institutions. Each employee pays heed to the fact that both internal and also external reports, notations and other documents of the group are made in agreement with the valid legal regulations and standard and are, therefore, always complete, and correct and in compliance with time and system.

It is ensured within the company that business information - regardless of type - is always secure and kept safe so that well-documented processes or procedures can be delegated to colleagues for further processing without loss of data or quality. Employees must save documents as long as necessary to at least fulfil the legal or internal operating regulations.

Confidential business information

We take all necessary steps to protect business documents from the access and insight of unconnected persons in a suitable way. Strictest secrecy must be maintained concerning all operating and business secrets as well as topics relevant to the group and company, in particular development processes, acquisition plans or acquisition goals, regardless of which source of information these come from, extending to until after the end of the service, work or contractual relationship. Upon inclusion of external partners (clients, suppliers, consultants etc.), confidentiality agreements must be concluded according to the POLYTEC GROUP standards.

³ mail to: compliance@polytec-group.com

Contact with insider information and information relevant to the capital market

Dealing in shares of POLYTEC HOLDING AG is subject to both strict legal regulations and the requirements of the capital market, which in particular includes the ban on using insider information for one's own advantage or for the advantage of a third party. Dealing in POLYTEC shares and/or other financial instruments affected by the European Market Abuse Regulation is forbidden to such people, who have access to insider information, under adherence to the relevant legal regulations. This includes precise information which is not known publically, directly or indirectly concerns one or more issuers or one or more financial instruments and which, if was known to the public, would be suitable to significantly influence the share price of the POLYTEC shares. The misuse of insider information has disciplinary consequences and is enforced in accordance with fines and penalties payable pursuant to the provisions of the Market Abuse Regulation.

All price sensitive confidential information is subject, therefore, to the strictest confidentiality. It may be used only in accordance with the compliance provisions, respectively handed over under adherence to the legal conditions. Reference is made to the POLYTEC GROUP COMPLIANCE GUIDELINE in the currently valid version.

Data protection and information security

All oral and written announcements and press communications, which concern the interests of the POLYTEC GROUP or individual POLYTEC GROUP companies, shall be made exclusively by the Board of Directors in agreement with the department responsible for communication at the POLYTEC GROUP.

The private sphere – including the personal data of the employees and all contract and business partners – is handled with strict confidentiality. The protection and privacy of personal data is of great interest to POLYTEC. We therefore strictly comply with national and international legal norms such as the General Data Protection Regulation. We therefore raise or process personal data only, if this is absolutely necessary or legally mandated to fulfil a business event or a contract, if the data subject has consented to the data processing or if we have a legitimate interest in the processing and if we do not oppose any overriding interests of this processing. Reference is made to the POLYTEC GROUP PRIVACY POLICY⁴ in the current version.

VII. PROTECTION OF BUSINESS PROPERTY

We use the property and the resources of the company correctly and carefully and protect it from loss, theft or misuse. The intellectual property of our company represents a competitive advantage and thus goods worth protecting, that we defend against any unpermitted access by third parties. We use material and immaterial property of the company exclusively for business purposes and not for personal reasons, insofar as this has not been expressly permitted.

VIII. IMPLEMENTATION

All POLYTEC GROUP employees are demanded to check their performance in the light of the regulations set forth in this Code of Conduct and to ensure adherence to it. Individual employees, who breach the principles listed here, must reckon with far-reaching sanctions up to the cancellation of their employment contract, sacking respectively dismissal or damage compensation

measures. Employees who breach these rules cannot plead to having been acting in the interests of the POLYTEC GROUP.

IX. COMPLIANCE VIOLATIONS

In order not to endanger the aims of this Code of Conduct, the attentiveness of all employees of the POLYTEC GROUP is required, to report any irregularities or breaches on firm suspicion. We also put value on information from business partners, clients and other third parties concerning breaches of laws and this Code of Conduct.

All POLYTEC GROUP employees are requested to report any breach against the guidelines stipulated herein immediately to their managers, the managing directors of the respective company, to each member of the Board of Directors or the legal department.

All reports received are carefully researched and handled absolutely confidentially.

In the interest of promoting an open and trustful communication it is expressly recorded that employees who report proven breaches of laws and this Code of Conduct will not be affected by any negative consequences of any kind whatsoever. The POLYTEC GROUP reserves the right, however, to take disciplinary measures or demand damage compensation against employees who purposely or grossly negligently make false accusations.

⁴ <https://www.polytec-group.com/en/Privacy>