

TROX[®] TECHNIK

The art of handling air

Business
Conduct Guideline
of
TROX GROUP

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1. Preamble

Dear Colleagues,

Crucial to the success of the TROX GROUP is a fair and proper dealing with our customers, our suppliers and other business partners in accordance with laws and ethical principles.

Unfair conduct in business transactions is not a “necessary evil” to remain competitive. We at TROX GROUP can convince by price, performance, quality and suitability of high-quality products and advisory services. Corruption, embezzlement and fraud, but also other forms of unfair business practices distorting competition, result in increased costs, undermine the trust of customers and suppliers, and jeopardize our competitiveness and in the end your job.

Therefore, it is essential to prevent all forms of unfair business practices. The personal commitment of all of you, starting with the Board of Directors of the TROX GmbH, the executive staff leadership and all employees (hereinafter referred to for all: employees), is particularly challenged.

Note that the clear message from TROX is:

We resign any business that would only be generated under the violation of laws or our regulations.

The Board of Directors of TROX GmbH is convinced that the success of TROX GROUP in the market can only be guaranteed ensuring Compliance with laws and regulations as well as conduct guidelines formulated in the Business Conduct Guideline.

We therefore ask you to report irregularities, organisational failures and if applicable to make suggestions for improvement.

The Management Team has the role model function in the execution of the Business Conduct Guideline. We expect managers to continuously be a best practice example in terms of fairness and distinct commitment to combat unfair practices.

2. Basic Principles

The Business Conduct Guideline was not prepared as a sign of distrust in you, but out of concern for the entire workforce and to avoid material and immaterial damages to our company.

The regulations set forth provide the **minimum standard** for all employees of the TROX GROUP worldwide. They are intended not only to effectively prevent unfair practices in commerce, but also to strengthen the belief, that the influence of competition in all forms of unfair practices – even if they may not be criminally prosecuted – is to be prevented and penalised.

Our principles of behaviour are summarised as follows:

- National and international **laws are strictly to be followed.**
- All clients and contractors are **treated equally.**
- There is **no collusive tendering/price fixing** concluded between competitors.
- **No employee may offer or supply any illegal benefits** to business partners, its employees or third parties.
- **No employee may request or accept illegal benefits.**

- **Situations** where personal or financial **interests of the employee** are in **conflict with those of TROX** are to be **avoided**.
- We will ensure **equal treatment** of people.

In the following the implementation of these principles are clarified by means of concrete examples. Please do not hesitate to contact the respective Compliance staff (to be found in Annex A) regarding any questions or uncertainties.

3. Transparency towards the Employer

Preventing Conflicts of Interest

A conflict of interest exists if the private interests of a TROX employee are in conflict with the interests of TROX or if the possibility exists that this occurs. If a TROX employee pursues personal interests and does not disclose them or puts them above the interests of the company, this can cause damage to TROX and the integrity and professionalism of our company.

Be aware that also you can get into a conflict of interest. Inform your superiors and the Compliance staff (CO, CM, CCO), if you have relationships to persons or companies that TROX conducts business with and that could lead to conflicts of interest. This includes for example family relationships, private partnerships, business partnerships or private investments.

Generally avoid already the appearance of conflicts of interest and disclose any apparent or actual conflict of interest to TROX.

4. Transparent Relationships to Business Partners

Prohibition of Corruption

Through corruption, economical wrong decisions are made, progress and innovation is slowed down and competition distorted. Corruption is a serious problem for the economy and is prohibited by law. Corruption can lead to high fines for TROX as well as criminal penalties for delinquent employees.

Never accept directly or indirectly a bribe. Never bribe others. Be suspicious when hearing about any act of corruption in your environment. If you ever hear about such activities immediately inform the Compliance staff (CO, CM, CCO).

Public Contracts and Dealing with Authorities

In many countries governments, authorities and other public institutions are important customers for TROX. Dealing with them often implies meeting special legal requirements where even small violations have serious consequences, which can permanently debar TROX from the award of public contracts.

TROX complies with the strict legal requirements when dealing with governments, public authorities and public institutions.

It might be that you are required to make so-called “facilitation payments” (e.g. payments for the acceleration of routine administrative matters). The limit to undue influence in these cases is quickly crossed. TROX therefore **does not issue any “facilitation payments”**.

Be aware, that dealing with public officials, public authorities and public institutions worldwide is subject to extraordinary strict conditions.

Sales Representatives, Consultants and Brokers

In numerous countries and business units, TROX GROUP works with sales representatives, consultants and agents, who act on behalf of and in the name of TROX and support during the initiation and execution of sales and projects.

Due to the lack of company affiliation there is no guarantee that such sales representatives follow the same high ethical principles of conduct as TROX does. For this reason there is a risk that agency commissions or compensation paid by TROX might be used as means of corruption. Therefore special attention is advised when using sales agents, consultants and brokers. Illegal behaviour by sales intermediaries can strongly damage the reputation of TROX and even lead to a liability of the company towards third parties as well as large fines.

Sales intermediaries may be used only in accordance with the law and internal guidelines. Additionally it has to be ensured, that the integrity of the business partner is checked prior to contract signature and commissions are paid only for actually performed consulting and agency services. Moreover, it has to be checked whether and how the payments are adequate for the respective services rendered.

Please follow the process to be found in the Business Partner Compliance Review Guideline.

Gifts, Hospitality and Invitations

Gifts to customers or from suppliers, hospitality and invitations to events are very common in international business relationships. As long as such benefits are in reasonable scope (amount and frequency) they count as legally tolerable care of

business partner relationships and are not objectionable. But as soon as such benefits are suitable for influencing business decisions, they may constitute corruption.

The handling of gifts, hospitality, and invitations to events is regulated in the Benefits and Donations Guideline of TROX Malaysia. Here specific rules regarding the acceptance and granting of benefits as well as reporting and approval obligations are laid down.

Donations and Charity

TROX occasionally supports selected charitable institutions and projects by donating money and donation in kind. To avoid conflicts of interest and to ensure a consistent behaviour within the TROX GROUP when making donations, they have to be in accordance with the requirements of the TROX Malaysia Benefits and Donations Guideline.

TROX does not grant donations in order to influence business partners or to attain services or to induce decisions of authorities and institutions.

5. Competition and Free Market

Fair Competition

Freedom of competition is a high economic good and is protected by strict competition and anti-trust laws. These are needed to ensure a smooth functioning of markets. Prohibited are particularly agreements and concerted practices between competitors which have the purpose of preventing or restricting competition. It is also prohibited to abuse a dominant market position. Such abuse may be for example a refusal to supply

goods, enforcement of unfair purchase or selling prices and conditions, or tie-in sales without justification for the additional services demanded.

Breaches of competition law have not only far-reaching consequences for the reputation of TROX, but can also result in high compensation payments and penalties. When getting in contact with competitors bear in mind, not to accept or provide any information which allows conclusions to the current or future actions of the information granting party.

Avoid discussing topics with competitors that have a direct relevance to the competition. Examples include prices, price calculations, business strategy and planning or research and development results.

Fair Purchasing

TROX works with a variety of national and international suppliers and service providers. With their support and supply, it is possible for TROX to offer the highest level of quality in products and services to our customers. Thus our economic success is also directly linked to the performance of our service providers and suppliers.

A preference for a supplier or service provider without demonstrable and objective justification is not acceptable. Avoid getting caught in a conflict of interest.

Export Controls

The export control regulation is an international-applied juridical instrument that focuses on the security policy-relevant,

cross-border exchange of goods and services. This does not only cover the cross-border exchange of goods and services to third parties, but also between TROX GmbH and its subsidiaries abroad. This way the illegal spread of weapons of mass destruction or the uncontrolled export of armaments shall be prohibited. TROX ensures Compliance for all goods, services and information with the respective Export Guideline of the country.

Before importing or exporting products, please review whether the operation may be subject to export regulations. If in doubt, please consult the Compliance staff (CO, CM, CCO).

Prohibition of Money Laundering

Money laundering occurs when bringing money or other assets directly or indirectly deriving from a criminal offense into the economic cycle. In most countries there exists a statutory prohibition of money laundering. The liability for money laundering does not require that the involved party does have knowledge of the fact that the respective transaction is used to “wash” money. Already taking part in the process of money laundering can result in severe penalties for all those involved.

Keep an eye out for unusual payment arrangements (e.g. use of several bank accounts, unnecessarily high transaction costs) or suspicious behaviour of customers, consultants and business partners. If you are not sure whether there is infringement, please contact the Compliance staff (CO, CM, CCO) directly.

Always comply with all internal regulations regarding the recording and accounting of transactions and contracts.

6. Protection of Business Assets and Business Data

Financial Reporting and Documentation

For all relevant business transactions, such as the signing of contracts and the release of payments the four-eye principle has to be observed.

All companies of the TROX GROUP have to fulfil their statutory accounting and reporting as well as their contractual obligations. This is only possible if all transactions are routed accurately and timely to the proper authorities. For this purpose they must be complete, accurate and truthful and be documented and recorded using the correct systems. The concealment of losses or budget overruns is prohibited. Any manipulation of accounting figures is strictly prohibited and may inter alia lead to criminal prosecution.

Subject to the documentation requirements are all data, certificates and other written documents that are necessary for the fulfilment of financial reporting and disclosure obligations, as well as internal documents such as travel expenses.

Basis for all decision-making processes in this context are the relevant guidelines of the individual legal entities and companies.

Data Protection

It is in the vital interest of TROX as well as every individual TROX employee that the data of employees and customers and also the company-specific know-how and business assets are kept confidential.

TROX protects the personal data of employees, customers, suppliers and other stakeholders.

TROX raises, collects, processes, stores and uses only the personal data required by law or which is necessary for normal business operations.

Consider that the raise, storage, processing and other use of personal data may only take place on a statutory basis or with the consent of the person concerned.

If in doubt, please contact the Compliance staff (CO, CM, CCO).

IT-Security and Protection of Company and Business Secrets

Electronic data processing and information technology (IT) are an integral part of the everyday business of TROX. It is therefore important to identify and minimise the significant amount of risks connected to it. One of the largest risks in data processing is the damage of the system e.g. by “viruses” or “Trojan horses”. The resulting loss of data or theft of data can significantly disturb business processes within TROX and also with business partners. Likewise a possible misuse of the illegally obtained data cannot be ruled out.

For these reasons TROX pays attention to the security of IT systems. Please refer to the appropriate IT policies.

Communication and Advertising

TROX pursues an open and clear communication strategy with employees, business partners, customers, media representatives and other interested parties.

Prior to accept or implement planned communication measures and marketing efforts it is necessary to reconcile it with the Managing Directors.

Do not make any statements in public in the name of TROX. Always redirect such requests to the Managing Directors.

7. Actions and the Consequences of Violation

Should you be in doubt whether a particular procedure is compliant with this guideline or do you have the suspicion that there exists an irregularity; **you must** – depending on the circumstances – notify the CO, CM, or the CCO. This duty still persists even if you believe that the information has already been reported.

We strongly encourage you and your colleagues to take advantage of the opportunity to report irregularities.

The disclosure of irregularities is the only way to protect the reputation and business success of TROX in the long run and it might ultimately secure your own job. An early notification can often prevent the emergence of serious difficulties. **No employee who reports in good faith shall fear disadvantages in any form, even if the report should ultimately prove to be unfounded.**

Adherence to these principles of conduct will be audited. The inspections are carried out by the organs defined within the CMS (see Appendix A). All employees who violate these principles are – regardless of criminal consequences – also held responsible under employment law. You may even have to pay compensation for damages.

Additionally the GROUP Audit department is responsible for the prevention and detection of irregularities, which may indicate unfair conduct in business transactions. GROUP Audit directly reports to the board level and has all competences necessary for its tasks. GROUP Audit also follows up on whether reported irregularities are dealt with properly.

8. Support of the CMS Organisation

The newly implemented CMS organisation supports and accompanies the uniform application and implementation of this code of conduct with adequate measures.

These include:

1. **Regular staff trainings.** The training courses are intended to ensure awareness of all employees and shall leave to an open discussion of any grievances. Wherever possible the class training is designed for the individual work areas and functions. Employees are obliged to attend. Participation will be documented.
2. **Guidelines** to specify principles of conduct are defined and communicated.
3. **Preventive control measures accompanying business processes and transactions**, for example, as part of the hiring process of sales agents or when submitting bids for a public tender.
4. A **hotline** set up for Compliance requests and if appropriate, a review for gifts and invitations can be provided.

5. **Additional company-wide internal controls** which largely automate the detection of non-compliant behaviour, such as segregation of duties, authorisation concepts, approval processes and cross-checks.
6. **Case investigation** in the event of substantiated suspicion of a Compliance violation including **sanctions**.
7. A company-wide **Compliance reporting**.
8. **Continuous monitoring and improvement of the CMS**.

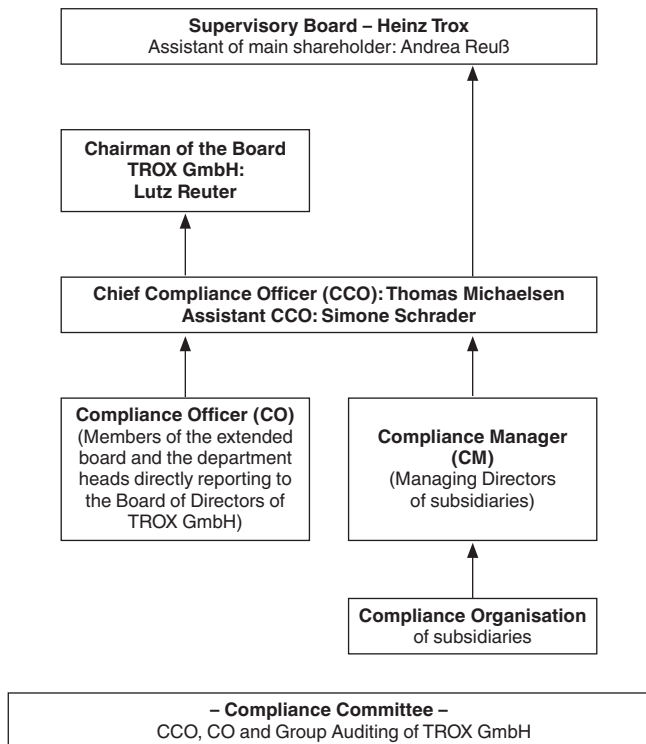
9. Final provisions

This guideline is immediately effective and its content is to be implemented in all subsidiaries.

This guideline will be provided to all employees and subsidiaries in written form. The employees will be informed about the fundamental importance of this guideline. In case of ambiguity the Chief Compliance Officer (CCO) shall be approached.

Compliance Management System (CMS)

– Organisational Structure –



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