

Approved by the Board of Directors of  
EuroChem Group AG, minutes dated  
July 1<sup>st</sup>, 2015

## **CODE OF CONDUCT**

## **EUROCHEM GROUP AG**

**Zug 2015**

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## 1. DEFINITIONS

- 1.1 “**Business Assets**” means all tangible and intangible assets of the Group.
- 1.2 “**Business Partner**” means any individual or entity having some degree of involvement into the Group’s business dealings, which includes without limitation sellers, purchasers, contractors, services providers, etc.
- 1.3 “**Close Associate**” means any individual or entity having relationship of any kind with an Employee.
- 1.4 “**Code**” means the present Code of Conduct.
- 1.5 “**Company**” means EuroChem Group AG.
- 1.6 “**Confidential Information**” means information that is not public or has not yet become public, including without limitation, commercial, corporate, contractual, operational, staff, management, scientific and technical, process, production, financial and economic and other information (including information that constitutes the know-how), as well as all notes, analyses, compilations, studies, documents or other data, prepared by any member of the Group or by its representatives in writing or in any other form, which are generated from or otherwise reflect such information.
- 1.7 “**Conflict of Interest**” means any situation when personal interests of Employees compete with the interests of the Group and can potentially influence the objective exercise of Employees’ professional duties.
- 1.8 “**Corruption**” means dishonest or illegal behaviour, which constitutes in misuse of entrusted power for private benefit.
- 1.9 “**Employee**”, “**Employees**” means officers, directors and employees of the Group.
- 1.10 “**Favours**” means favours in any form, including but not limited to gifts, invitations, any grants, or discounts.
- 1.11 “**Group**” means jointly the Company and all its subsidiary companies.
- 1.12 “**Insider Information**” means non-public information about the Group or its Business Partners which a reasonable investor would consider important in deciding whether to buy or sell securities, including without limitation possible mergers, acquisitions and divestures, strategic alliances, financial results, new products, changes in the capital structure, important licensing agreements, major trials or contracts.
- 1.13 “**Insiders**” means Employees or non-employees who learn about Insider Information, whether intentionally or by coincidence.
- 1.14 “**Legal and Compliance Officer**” means an Employee committed to ensuring that the Code is consistently complied with throughout the Company.
- 1.15 “**Intellectual Property**” means intangible assets, including without limitation trade secrets, patents, trademarks, copyrights, know-how, regulatory data, domain names and related rights, as well as business and marketing plans, etc.
- 1.16 “**Money Laundering**” means the process of transforming money or assets that were generated by illegal actions into ostensibly legitimate funds by concealing their origin and making them seem as derived from legitimate source.
- 1.17 “**Relative**” means a person who is connected to an Employee by blood or affinity, including without limitation by virtue of marriage, adoption, in-law relation.

## **2. APPLICABILITY**

- 2.1 The Group shall apply and incorporate in their business practices the Code.
- 2.2 Employees shall strictly, in all respects and at all times comply with the Code.

## **3. COMPLIANCE WITH LAW**

- 3.1 The Company shall be engaged only in legitimate and ethical business practices.
- 3.2 The Company and its Employees shall comply with all applicable laws, rules and regulations, either domestic or foreign. In case of conflict of any specific laws or regulations Employees shall at once consult their manager and the Legal and Compliance Officer.

## **4. CONFLICT OF INTEREST**

- 4.1 Employees shall avoid Conflict of Interest situations.
- 4.2 Employees shall not take part in, appear to take part in or exert influence on any decision which puts or may put their own interest in conflict with the interest of the Group.
- 4.3 Employees shall not use their position in the Group for personal benefits or to benefit their Relatives or Close Associates.
- 4.4 If a Conflict of Interest situation has occurred or if Employees face a situation that may involve or lead to a Conflict of Interest, Employees shall disclose it to the Legal and Compliance officer in order to find an appropriate solution.

## **5. INSIDER INFORMATION & TRADING**

- 5.1 Insiders shall:
  - i. keep Insider Information strictly confidential and not pass it on to third parties, except for on a need-to-know basis. Third parties include, without limitation, family members and other residents of the same household, colleagues, friends, journalists, customers, financial analysts and advisers;
  - ii. not buy, sell or engage in any other transactions concerning securities or derivatives of the Group or any other companies involved, so long as such information is not available to the general public.
- 5.2 When in doubt whether a person possesses Insider Information and is considered an Insider, he or she shall immediately contact the Legal and Compliance Officer.

## **6. MONEY LAUNDERING**

- 6.1 Employees shall not allow themselves to be in any way involved in Money Laundering or any other similar illegal practice and shall never tolerate such actions.
- 6.2 When in doubt in respect of any financial transaction or practice, Employees shall consult the Legal and Compliance Officer at the earliest stage possible.

## **7. CORRUPTION & BRIBERY**

- 7.1 The Company rejects all forms of corrupt business behaviour, including bribery (public, private, active and passive), embezzlement, fraud, theft and granting of improper advantages.
- 7.2 Public bribery is the bribery of public officials, i.e. "member of a judicial or other authority, a public employee, an expert, translator or interpreter, employed by any authority, an arbitrator or a member of the armed forces" (Art. 322(ter) of the Swiss Criminal Code (StGB)); private person who carries out a public function (Art. 322(octies), par. 3, StGB); foreign public officials (Art. 322(septies) StGB).
- 7.3 Private bribery is the bribery of private persons regulated by the Federal Law against Unfair Competition (UWG; Art. 4a).
- 7.4 Active bribery is an act by which a person is offered, promised, or granted any undue advantage, for his own benefit or for the benefit of any third party, for the commission or omission of an act in relation to his official duties that is contrary to his duties or depends on the exercise of his discretionary powers (Art. 322(ter) StGB; Art. 4a, par. 1, sec. a, UWG).
- 7.5 Passive bribery is an act when a person solicits, elicits a promise of or accepts an undue advantage, for his own benefit or for the benefit of any third party, for the commission or omission of an act in relation to his official duties that is contrary to his duties or depends on the exercise of his discretionary powers (Art. 322(quarter) StGB; Art. 4a, par. 1, sec. b, UWG).
- 7.6 The Company and its Employees shall be committed to strict compliance with all applicable anti-corruption laws, including, as applicable, the U.S. Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, et seq., the U.K. Bribery Act 2010.
- 7.7 Employees are prohibited to grant or promise improper advantages regardless of their intention and whether having a specific business decision in mind or not. Employees shall avoid and prevent situations which may raise doubts as to the professional impartiality of the Group, its Employees, customers, or Business Partners.
- 7.8 In any situation which raises doubts with respect to corruption or bribery compliance Employees shall consult the Legal and Compliance Officer as soon as possible.

## **8. GIFTS & ENTERTAINMENT**

- 8.1 Employees shall not be influenced by receiving Favours.
- 8.2 Employees shall not accept any Favours if that could raise any concerns regarding the Company's integrity and independence or the Employees' professional impartiality, whether in actuality or appearance.
- 8.3 Employees are allowed to accept socially customary occasional gifts of low value, invitations and other grants, if they do not go beyond common courtesy, are an accepted local business practice and provided business decisions are not influenced. For the purposes of this Clause the value is regarded as low in case it does not exceed CHF five hundred (500).
- 8.4 When assessing the situation in light of the above, Employees shall apply the most restrictive local practice to avoid even the appearance of improper dealings. If in doubt about the appropriateness of accepting a Favour, Employees shall consult the Legal and Compliance officer.

8.5 The above provisions also apply in the situation when Employees of the Group provide Favours to an existing or potential Business Partner of the Group.

## **9. COMPETITION AND FAIR DEALING**

9.1 Competition (antitrust) laws are designed to maintain market and arm's length conduct by the companies.

9.2 The Company and its Employees shall comply strictly and in all respects with applicable competition laws wherever business is conducted.

9.3 All Employees, and especially those involved in marketing, sales, purchasing, tender process, shall be responsible for being familiar with, and understand the basic principles of competition laws and the importance of complying with its regulations.

9.4 All agreements that could possibly be infringing any applicable competition regulations shall be subject to review by the Legal and Compliance Officer.

## **10. CONFIDENTIALITY**

10.1 Confidential Information provisions are part of the employment contract and shall remain effective after termination of the employment.

10.2 Unless required by law or authorized by the management, Employees shall neither disclose Confidential Information with relation to the Group or its business, nor tolerate such disclosure.

10.3 Entering into any agreement with a third party by the Group shall be subject to signing a confidentiality agreement or including the respective provisions into the agreement to be entered into with such party. The signing of every such agreement shall be subject to review by the Legal and Compliance Officer.

10.4 The Company and its Employees respect Confidential Information of its Business Partners and other third parties and shall treat it with the same accuracy as if it were the Group's Confidential Information.

## **11. INTELLECTUAL PROPERTY**

11.1 Employees shall endeavour to protect Intellectual Property rights of the Company and the Group and shall immediately report to their manager and the Legal and Compliance Officer as soon as they become aware of such infringement.

11.2 The Company and its Employees respect the Intellectual Property rights of third parties.

## **12. ACCOUNTING AND REPORTING**

12.1 The Company shall comply with applicable accounting and reporting standards and ensure that the information it provides, including, but not limited to, annual financial reports, development data, information provided to auditors, investors and state authorities, is true, fair and complete.

12.2 Employees shall neither engage in dishonest or fraudulent conduct involving financial reporting and accounting, nor make any false or misleading statements.

### **13. BUSINESS ASSETS**

- 13.1 Business Assets shall be used only for its business purposes.
- 13.2 Employees shall safeguard and make only proper use of Business Assets. Employees shall endeavour to protect the Business Assets from loss, damage, misuse, theft, fraud, embezzlement and destruction.

### **14. HEALTH AND ENVIRONMENTAL PROTECTION**

- 14.1 The Company shall provide its Employees with a healthy, safe and secure working environment.
- 14.2 The Company strives to minimize negative impact on the environment by implementing new technologies and processes.
- 14.3 The Company and its Employees shall strictly, in all respects and at all times comply with the applicable environmental law requirements. The Company and its Employees shall endeavour to prevent accidents and malfunctions and any damage that can be caused to the environment.
- 14.4 Upon becoming aware of infringement of any regulation or standard with respect to health, safety and environment protection, Employees shall contact the Legal and Compliance Officer as soon as possible.

### **15. DISCRIMINATION AND HARASSMENT**

- 15.1 The Company shall never tolerate any form of discrimination or harassment. The Company shall guarantee its Employees protection of personal dignity, rights, privacy and a healthy workplace free from discrimination and harassment.
- 15.2 Employees shall never discriminate against anyone on the basis of gender, age, origin, nationality, religion, race, disability, citizenship, social, or any other characteristics.
- 15.3 These principles shall apply to all aspects of employment relationship, including hiring, promotion, compensation, discipline and termination of employment.

### **16. IMPLEMENTATION OF THE CODE**

- 16.1 This Code is subject to approval by the Board of Directors of the Company.
- 16.2 Management Board, subject to proper delegation by the Board of Directors, shall be responsible for implementation and incorporating of this Code into the employee training program.

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