

FUCHS PETROLUB SE

Compliance Management System (CMS)

October 2014

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Introduction by the Board

Dear Employees,

As a globally operating group with activities in various fields of lubricants business, FUCHS PETROLUB is continuously exposed to competition. We face this competition without any restriction. For us, fair competition is the basis of integrity and progress; it provides us with options and development opportunities in the market.

The actions of every FUCHS employee must be guided by compliance with the prevailing law. We are all, without exception, called upon to observe, as part of our work-related activities, the respective applicable laws, guidelines and regulations, irrespective of whether these are international or local rules. Unlawful behaviour risks damaging our image and reputation; it weakens our market position and may therefore lead to economic damage to our company.

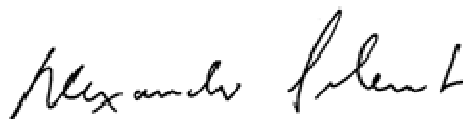
The compliance program adopted by FUCHS PETROLUB and the principles listed below present an obligatory framework of action designed to guarantee that everyone's conduct is at all times in accordance with the law. The compliance program is not meant to prevent you from engaging in intensive and constructive competition; its purpose is simply to raise your awareness and ensure you understand that any fair and unrestricted competition requires compliance with general legal rules.

The guidelines approved by FUCHS PETROLUB are consistent with the FUCHS Code of Conduct as well as any existing guidelines, programs and work-related regulations introduced by FUCHS, which remain in force without restriction and whose content remains unaffected hereby.

FUCHS PETROLUB SE



Stefan R. Fuchs



Dr. Alexander Selent

I. General

1. Goal

As a publicly listed, internationally active group, FUCHS PETROLUB SE (FUCHS) understands the importance of a compliance management system. The introduction of such an organization corresponds with the guidelines of good and responsible corporate governance (Corporate Governance Code) and is required under the rules of the stock corporation law and other regulations.

The goals of an effective compliance management system as seen by FUCHS are the observance of legal, ethical, social and other standards, which specifically results in a reduced exposure to claims for damages and fines against the company, the avoidance of civil and penal law procedures against any of its bodies and employees as well as the protection of the image of FUCHS as a corporation. This is essential in order to achieve corporate goals and increase corporate value.

2. Compliance as seen by FUCHS

FUCHS considers compliance to be the result of all measures we implement to ensure that the conduct of a corporation and its employees in their internal and external day-to-day dealings conforms to the applicable laws and guidelines.

That standard is specifically embodied in the FUCHS PETROLUB **Code of Conduct**, which was approved, as early as 2004, by the Board of Directors and the Executive Committee. That guideline describes the general principles of good conduct as well as particular forms of conduct required in some more sensitive areas such as competition law, anti corruption, capital market law, occupational health and safety, data protection, social responsibility, etc.. As lawful and responsible conduct must be considered as a matter of course, that guideline does not contain any genuinely new regulations but illustrates and demonstrates the legal and ethical requirements which the conduct of our employees carrying out their tasks must meet. These standards shall continue to apply without restriction.

Apart from the many legal regulations and the principles of good citizenship and corporate social responsibility, there are internal guidelines that cover specific individual areas and fields of business, present their risks and illustrate the respective rules of conduct. Examples are, among others, the Antitrust Guideline, the Anti-Corruption Guideline, the Global Diversity Guideline, the IT Security Guideline, the Occupational Health and Safety Guideline, the Travel Cost Guideline, etc. These guidelines must also be adhered to as part of the overall compliance system and they apply, as do the country-specific statutory rules, without restriction.

3. Handling breaches

A successful compliance program requires that breaches be effectively and consistently sanctioned. FUCHS achieves this through a “Zero Tolerance Policy”. It applies to breaches, and specifically prohibits any conduct that breaches laws, regulations, or our internal guidelines.

4. Documentation

It is obvious that in any properly managed company the implementation of an effective policy of compliance requires proof. To this purpose, it is essential to document not only decisions, processes and reporting channels but also measures such as information events, training sessions, meetings and audits as soon as they take place. Hence, the management is obliged to make its employees aware of compliance, to monitor adherence to the values and to document it accordingly.

Only if the compliance measures carried out within the company are sufficiently well documented, is there a chance that disadvantages to the company or members of the management will be successfully avoided or reduced.

II. Compliance organization

The compliance organization adopted by FUCHS consists essentially of the Chief Compliance Officer (CCO), the external ombudsman (hotline), the Local Compliance Officers (LCO) and, if available, the Regional Compliance Officers (RCO). In addition, FUCHS has set up a permanent and/or project-related Compliance Committee (CC), which consists besides the CCO of several experts, e.g. from Group Legal, Group Human Resources and Group Audit.

1. Chief Compliance Officer (CCO)

a. Position

In order to ensure the independence and to emphasize the importance of compliance, the CCO reports directly to the CFO, who is also responsible for legal and compliance issues. He will report directly – regularly and ad hoc – to him on any compliance violations or concerns that he has been notified of, any inspections that have been carried out and their results as well as of any preventive, corrective and implementation measures.

b. Tasks

The CCO has the following essential tasks:

- Supporting and advising the Board of Directors concerning all compliance-relevant questions
- Reporting regularly and ad-hoc to the Board of Directors
- Coordinating and assisting with the group-wide implementation of the Code of Conduct as well as the internal guidelines
- Assisting the Board of Directors with the monitoring and organizational duties to ensure adherence to the standards and ethical principles
- Implementing and developing the compliance management system
- Preparing, inspecting, updating and communicating rules of conduct and guidelines
- Documenting the development of compliance within the corporation including compliance incidents
- Initiating, designing and executing training measures

In addition, the CCO has a coordinating function; he is the central point of reference for all essential questions concerning the compliance management system.

c. Competencies

To enable the CCO to carry out the aforementioned tasks, a sufficient supply of information must be guaranteed. Hence, the CCO is given unlimited information and inspection rights in connection with any questions associated with compliance; communications with the other corporate divisions, group companies and their employees are generally not subject to any restrictions. All corporate divisions and group companies must notify the CCO forthwith of any essential (assumed or genuine) legal breaches. In particular, any letters that may hint of illegal conduct within the company must be immediately passed on to the CCO, whether received from the courts, the authorities, or lawyers, as well as complaints made by customers and business partners. Another important source of information is compliance-relevant comments included in accountants' and auditing reports.

The CCO coordinates the cooperation of all compliance components (LCO, hotline) as well as the organization of all compliance tools.

Furthermore, the CCO must be available to all FUCHS employees as a point of reference used for the notification or clarification of compliance-relevant incidents.

2. Local Compliance Officer (LCO)

a. Organization

In principle, FUCHS acting as a group management company, has the organizational duty of ensuring that the rules of compliance are applied in the group companies that it controls.

However, the local responsibility for compliance with the law, the legislation and any internal guidelines in the group companies must lie with the local management directors. They must ensure that law-abiding conduct in accordance with the guidelines is practiced, and that a local information system is established to discover any violations of laws and regulations. The advantage of appointing Local Compliance Officers (LCO) is not only that they offer a direct approach and a concentrated flow of information but they also speak the local language and are aware of country-specific circumstances.

In view of the size, international character and regional positioning of FUCHS, it may also make sense to nominate persons with cross-border responsibilities, who are in charge of the

coordination and implementation of compliance in the regions and who may be contacted by employees at local and regional level (“Regional Compliance Officer”, RCO).

b. Tasks

Comprehensive communication and a well functioning flow of information are essential prerequisites for an efficient, group-wide compliance organization, which depends on the continuous exchange, within the compliance organization, of the necessary information and incidents that have occurred. Hence, within the FUCHS group, communication between the CCO and the group companies is particularly important.

The respective LCO acts as the primary point of contact for employees who want to report or clarify compliance-relevant incidents. The LCO shall also notify the respective Managing Director (MD) and any regionally responsible members of the Global Management Committee (GMC).

The LCO shall – regularly and ad-hoc – inform the CCO of any reported or established violations of laws as well as of compliance-relevant changes to legislation and their impact on the Compliance Organization as practiced by FUCHS.

Furthermore, in consultation with the CCO, regional/local compliance measures shall be developed and carried out. These can, for example, be information events, training sessions, specific training programs, information systems as well as the production of a company specific duties record book etc.

3. Hotline

a. Function

The hotline is an external contact address where dubious actions/facts that are relevant under anti corruption or anti-trust laws may be reported. The central hotline for FUCHS is the law firm SZA Schilling, Zutt & Anschutz Rechtsanwälts AG in Mannheim, which has been commissioned by FUCHS.

Apart from the CCO, the local Managing Director (or his deputy) or the responsible member of the GMC, the hotline is seen as providing an additional opportunity to report compliance-relevant facts.

b. Communication

A whistleblower can turn to the central hotline established by FUCHS as a contact point, and report (if necessary also anonymously) any conduct that is not law-abiding or does not conform to the rules. The hotline shall pass on to the CCO all the information that it receives whilst preserving the anonymity of the whistleblower.

The CCO shall subsequently and forthwith inform the responsible member of the Board of Directors and the GM member as well as the local management of the violation of the laws or guidelines. The joint objective is to resolve the specific matter and to introduce any associated preventative measures.

c. Decentralized hotlines

Under certain circumstances, it is advisable to also install decentralized hotlines (e.g. local law firms) in the compliance regions in addition to the centralized ones. This would suit country-specific requirements (language, culture etc.) and could reduce potential obstacles that result from far-away hotlines. However, the flow of information (e.g. via the group companies to the CCO) must not be impaired in any way.

4. Compliance Reporting System

Effective 1 October 2014, FUCHS also offers the opportunity to report compliance violations or concerns through the internet-based reporting system called **FUCHS Compliance Communication**. Reports can be submitted in one's own name or in complete anonymity. The system is to be found at the FUCHS website <http://www.fuchs-oil.de/compliance.html> and at the respective local websites of the group companies.

5. Compliance Committee (CC)

a. Tasks

The CC is an independent body that assists the CCO. The specific tasks of the CC are the investigation and evaluation of more complex compliance breaches, the monitoring of the effectiveness as well as the systematic development of the compliance management system. The technical or organizational complexity as well as the multiplicity of compliance requirements favors the need for the establishment of a CC.

b. Composition

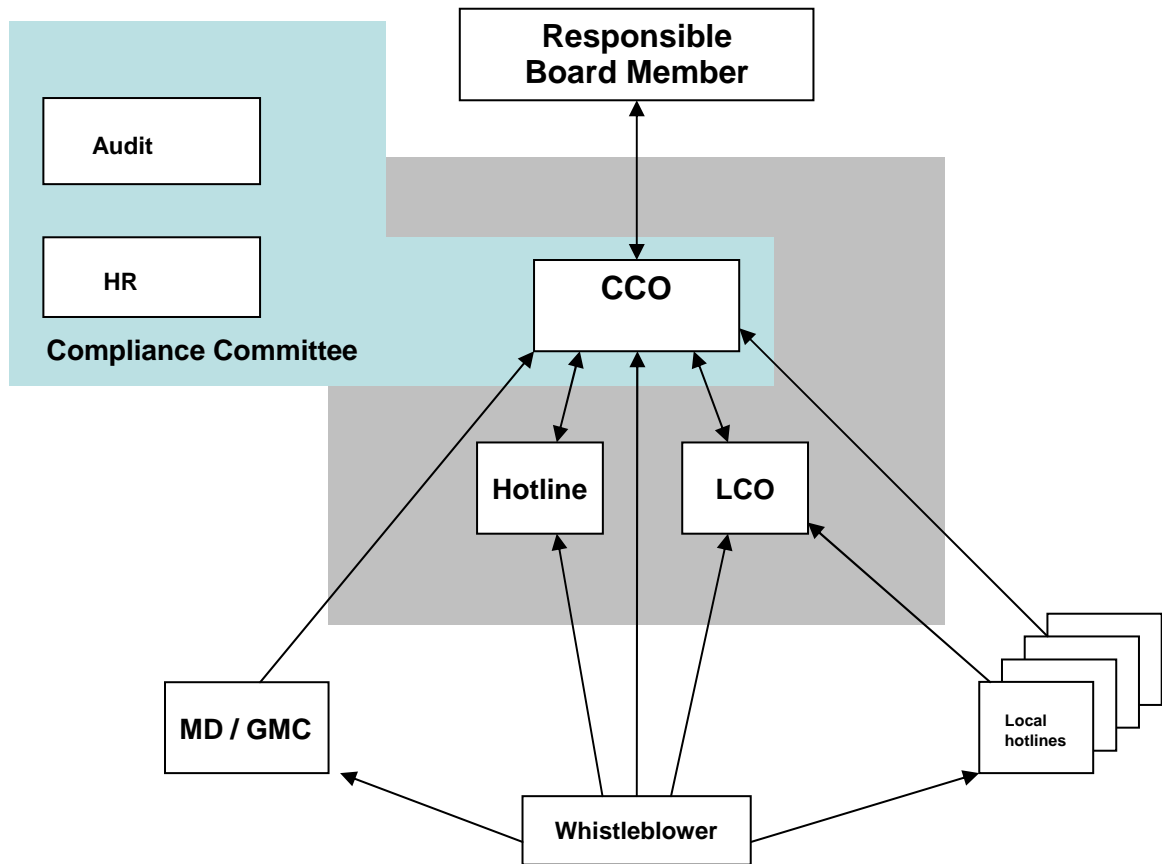
The CC is not a permanent body or separate corporate unit but a type of interdisciplinary project group. At FUCHS, the CC consists of representatives from the following divisions who meet up regularly (at least once every six months), or whenever a case requires it:

- CCO / Group Legal
- Group Audit
- Group Human Resources

In addition and depending on the specific case, the CC may be joined by the LCOs, by representatives of the hotline or by staff from other relevant corporate divisions (e.g. Controlling, Public/Investor Relations, Tax, Sales, Purchasing, Product/Quality Management, R&D, etc.). The involvement of representatives from various technical and business fields of FUCHS ensures that the compliance organization becomes more interlinked and rooted within the group.

6. Summary

The structure of the compliance organization, the reporting duties and the essential flow of information ensured by the Compliance Management System used by FUCHS are illustrated below.



III. Compliance Tools

1. Compliance trainings

a. General

The necessity of training employees in compliance results from the supervisory duties of the company. Apart from the duty to organize, select and monitor, this includes the duty to instruct, which is generally incumbent upon the management.

The objective of the compliance management system is to create and increase the awareness of company-specific risks among employees. The employees must be given detailed information on the content of their tasks and duties; they must be instructed in the essential legal regulations that they need to adhere to, and be provided with continuous training in the subject matter.

b. Structure

Training courses should be standardized, i.e. the structure and content should, on principle, be designed in a way that can be applied along parallel lines across the whole group. Externally, this sets uniform standards and, internally, it reassures the employees and demonstrates that they are all treated in the same way by FUCHS. A general structure should be drafted under the guidance of the CCO, to which, on an individual basis and in cooperation with the responsible people in the group companies, country-specific details are added in view of the different principles that apply in the individual countries where FUCHS group is represented.

c. Execution

The target groups of the employees to be trained must be chosen according to the requirements of the local management with the selection being based on the function within the company. Hence, all employees with external contacts (sales, purchasing) must receive training on topics such as corruption and anti-trust issues.

To what extent external consultants will be used to assist, in particular, with any first-time training sessions, must be decided locally. Any subsequent training sessions should, as far as possible, be carried out using FUCHS in-house staff.

The training courses should be repeated at regular intervals – annually, depending on the site – in order to ensure that the relevant knowledge is still available and/or needs to be refreshed. Furthermore, this ensures that the content is updated continuously (e.g. in the case of changes to legislation).

2. Compliance audits

a. Principle

The implementation of a compliance management system alone is not sufficient to protect the company permanently against violations of law. The success of any compliance strategy depends to a large extent on how continuously the employees are trained and whether the content is actually retained by them. In this context, it is useful to examine business procedures. In addition, this is how potential breaches may be discovered.

b. Responsibility

As an internationally active company FUCHS is exposed to a variety of risks. The company recognizes and limits these risks with the help of a group-wide risk management policy. This has resulted in the drawing up of guidelines according to which all group companies are responsible for registering and evaluating risks as well as for reporting them to the group head office. In this context, the Group Audit Department regularly monitors to what extent the operational units observe these guidelines.

Special Compliance Audits should be carried out by the Group Audit Department, if necessary together with the Compliance Office. The Group Audit Department is familiar with the corporate structure and the compliance program used by FUCHS.

In addition, the Group Audit Department also analyses the effectiveness of the compliance management system as such.

c. Documentation

Properly functioning communications between the Group Audit Department and the CCO are essential. In order to be able to produce evidence in exoneration of any breaches that may be established at a later date and to achieve a restriction on liability, these audits are carefully documented. This includes documentation of the compliance structure as well as of the respective measures taken.

IV. Handling violations of laws and guidelines

The management is obliged to ensure that the company and its employees observe all applicable laws and guidelines. Breaches shall not be tolerated. They may be punished with a written warning, the claiming of damages or the termination of the employment contract.

1. Information

Information on breaches of compliance may be reported by the respective whistleblowers to a variety of contacts (superior, managing director, member of the Global management

Committee (GMC), LCO, hotlines, CCO) and through the reporting tool FUCHS Compliance Communication.

As a rule, the CCO must be directly informed of all material violations of laws and regulations that become known at FUCHS. If the managing director or the responsible member of the GMC, the LCO or the hotlines, etc. get hold of that information, it must forthwith be passed on to the CCO to ensure that, in each specific individual case, ad hoc as well in the future, preventative action can be taken.

The CCO in turn immediately informs the responsible member of the Board of Directors. Any further handling of the information, the speed of information and any resulting inspections and measures depend on the duration and the gravity of the breach, the potential risk for the company and the consequences that it is threatened with if the breach is confirmed.

2. Investigations and Searches

An internal guideline published in April 2007 contains information on how employees and specialist departments in Germany should conduct themselves during official investigations and searches. Similar principles apply in other countries where FUCHS is present.

3. Reaction

Employees, who breach laws and/or internal regulations, must be clearly and repeatedly told, in writing as well as during the execution of the aforementioned compliance measures, that FUCHS will not tolerate such breaches and will make use of all statutory measures and employment law rules to take action against it.

V. Compliance and data protection

The implementation of a compliance program particularly in Germany and Europe is closely connected with the topic of data protection. To ensure successful compliance, the way in which the relevant information is processed and stored is essential. Frequently, a specially

adjusted data protection concept is required in order to be able to work with the data collected as a result of compliance.

On the one hand, it must be ensured that sensitive data is protected as best as possible (e.g. through limited access rights, authorizations, data retention, deletion periods, etc.). On the other hand, there is a need to document the efforts undertaken by FUCHS to solve a compliance-relevant problem.

Mannheim, October 2014

A handwritten signature in black ink, appearing to read 'Claudio F. Becker', with a long horizontal flourish extending to the right.

Claudio F. Becker
(Chief Compliance Officer)