

FUCHS GROUP

Code of Conduct



Content

Preface	3
1. Social responsibility	5
1.1 Responsibility for the reputation of the Group	5
1.2 Responsibility for basic social rights	5
a. Equal opportunities and non-discrimination	5
b. Mutual respect	5
1.3 Leadership and management responsibility	6
1.4 Sustainability	6
1.5 Party political activities	6
2. Occupational health & safety and environmental protection	7
3. Cooperation with business partners and third parties	8
3.1 Fair competition	8
3.2 Anti-corruption	8
a. Benefits for officials	8
b. Offering and granting benefits	8
c. Demanding and accepting benefits	9
3.3 Expectations vis-à-vis business partners	9
3.4 Distributors, consultants and agents	9
3.5 Foreign trade and export control	9
4. Avoidance of conflicts of interest	10
4.1 Conflicts of interest	10
4.2 Non-competition	10
4.3 Involvement in other companies	10
5. How to responsibly deal with company property	11
6. How to responsibly deal with information	12
6.1 Reporting	12
6.2 Confidentiality	12
6.3 Data protection and safety of information	12
6.4 Insider rules	13
7. How to deal with the Code of Conduct	14

Preface

Dear Employees,

We are an internationally operating corporation that meets the challenges of global competition head-on and assumes entrepreneurial as well as social responsibility. This responsibility includes legal and ethical aspects on the compliance of which we want to base our success as a company. We at FUCHS PETROLUB undertake to manage our business in a fair and transparent manner and ensure that our activities in all the countries that we work in are founded on the statutory rules and regulations.

For individual employees who are faced with constant changes, a diversity of tasks, globalisation and the growing complexity of the market, it is increasingly important to see that what they do fits into a larger overall context. Company guidelines are therefore of particular importance to our entrepreneurial activities and cooperation.

This amended Code of Conduct (third amended version of the first Code of Conduct issued in 2004) is based on our jointly developed values and applies without exception to all employees of the FUCHS Group in Germany and abroad. Our other group guidelines are derived from it and further specify this Code of Conduct. Hence, the Code of Conduct contains the leading fundamental rules for the entire FUCHS Group. The commitment to adhere to these rules forms a bond between all our employees irrespective of national borders and cultures.

This Code of Conduct underpins our conviction that we, as a corporation, can only be successful if we base our actions on the following core values:

Trust

- Trust is the basis of our self-understanding.

Creating value

- We deliver leading technology and a first-class service to our customers.
- We identify and create added value.
- We provide space for innovations and explore new paths.
- We act with an entrepreneurial spirit.
- We give our employees responsibility and listen to them.

Respect

- We acknowledge our responsibility towards various stakeholders, society and the environment.
- We show appreciation and recognition.
- We act with fairness towards our partners and employees.
- We foster an open-minded culture of discussion.

Reliability

- We keep our promises.
- We are committed to technical leadership.
- We want to continue with our success story.
- We act with determination and transparency.

Integrity

- We believe in acting ethically and adhere to our Code of Conduct.

The trust of our business partners, customers, shareholders, the authorities and the public in particular is a precious commodity that requires lawful and responsible conduct based on integrity. This trust is important for the reputation and success of our corporation.

We know that we are not measured by what we say but by how we act.

December 2016

The Group Management Committee



Stefan R. Fuchs



Dr. Lutz Lindemann



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Alf Untersteller

1. Social responsibility

1.1 Responsibility for the reputation of the Group

Compliance with valid laws and legal regulations is part of our identity. FUCHS PETROLUB complies with the respective applicable laws at local, national as well as international level.

FUCHS PETROLUB is aware of its responsibility towards society and undertakes, without exception, all its business activities and social commitments based on that responsibility. This means, first of all, respect for the law as well as the generally acknowledged customs and traditions of the countries where we operate.

In addition, FUCHS PETROLUB has drawn up internal guidelines and rules that give a detailed description of the benchmarks that define how the company is to cooperate with business partners and the authorities. FUCHS PETROLUB endeavours to ensure that these rules and principles are also complied with by service providers, distributors, consultants, agents and suppliers.

In order to avoid breaches of statutory obligations and internal corporate rules, FUCHS PETROLUB has set up a group-wide compliance organisation that serves as a port of call for all employees and executives. This compliance organisation is managed by the Chief Compliance Officer (CCO) who reports directly to the Board. In addition, every group company employs a Local Compliance Officer who is in charge of compliance issues and who acts as a port of call for the CCO.

1.2 Responsibility for basic social rights

FUCHS PETROLUB respects the internationally recognised human rights and supports their compliance.

a. Equal opportunities and non-discrimination

FUCHS PETROLUB supports the goals of the Manifesto of the International Labour Organisation (ILO). This includes the right to form associations, the right to collective negotiations, the abolition of forced labour and child labour and a ban on discrimination in employment and careers. FUCHS PETROLUB undertakes, within the framework of the statutory provisions valid from time to time, to respect the principles of equal opportunities concerning the recruitment and promotion of employees. In addition, we respect the rights of employees to equal treatment irrespective of origin and nationality, religion and ideology, gender and sexual orientation, political or trade-union activities, age, illness, disability or other personal characteristics. Discrimination shall not be tolerated within the FUCHS Group.

b. Mutual respect

Every FUCHS employee must be treated fairly and respectfully. Executives encourage employees through open and intensive communication, transparency and team work. Every FUCHS employee shall be respectful and open towards and appreciative of colleagues, undertake to avoid any type of discrimination and foster relationships that are based on fairness. Violence at the work place, threatening behaviour, intimidation, physical attacks and any form of sexual harassment will not be tolerated.

1.3 Leadership and management responsibility

When it comes to compliance with statutory rules and corporate guidelines, our executives must set an example. Responsible management and cooperation requires decisions that are transparent and plausible. Only then will they be accepted.

It is in particular up to our executives to prevent, within their respective field of responsibility, any breaches of laws, internal guidelines and this Code of Conduct that could have been avoided or made much more difficult through appropriate supervision.

Executives must fulfil their organisational and supervisory duties by, in particular,

- clearly explaining to their employees the concept of compliance with the statutory provisions, this Code of Conduct and internal guidelines and by emphasising that non-adherence will not be tolerated; and by
- ensuring compliance with statutory rules and internal guidelines.

1.4 Sustainability

To FUCHS PETROLUB sustainability means constant optimisation and the measuring of all actions against the three benchmarks of sustainability that combine economic, ecological and social aspects and that, to us, are the core elements of good corporate governance. We have summarised our principles for sustainable management in a comprehensive sustainability guideline.

The scarcity of resources and the responsibility towards future generations are a particular focus of corporate action. Particularly through special technologies FUCHS PETROLUB endeavours to ensure that its products and production processes along the entire value creation chain are geared towards these requirements. Every FUCHS employee will act accordingly in his workplace.

1.5 Party political activities

On principle FUCHS PETROLUB does not get involved in party political activities. This also applies to the financial support/sponsorship of parties, political organisations and their representatives as well as activities or events performed in the name of FUCHS PETROLUB.

This, however, does not mean that our employees cannot take part in political processes in their private lives and as citizens of their country.

2. Occupational health & safety and environmental protection

In matters of health & safety and environmental protection, FUCHS PETROLUB must comply with various national and international rules that vary according to where the respective sites are based.

Every FUCHS employee should be aware of and comply with the applicable laws, regulations and internal corporate guidelines on occupational health and safety. All employees are called upon, in their own as well as their colleagues' interest, to be constantly vigilant and aware of the potential risks associated with their work and work environment.

Safety at work has the greatest priority for FUCHS PETROLUB. We ensure safe working conditions that are in line with applicable regulations governing occupational health and safety. We respect these rules of occupational safety and regularly monitor safety standards to make working conditions safe and avoid health risks. Our employees are informed of the relevant rules and receive instructions on how to comply with them.

Compliance with the laws and regulations that apply to environmental protection is a task and obligation that all of us take very seriously. We therefore take particular care to ensure a responsible use of energy, water as well as basic and raw materials etc.

Sustainable growth that guarantees the protection of the environment, a sparing use of its natural resources and respect for the living conditions of future generations has great priority for FUCHS PETROLUB.

3. Cooperation with business partners and third parties

3.1 Fair competition

Competition and anti-trust laws ensure fair and genuine competition. In its business transactions FUCHS PETROLUB constantly observes and complies with these laws. Every one of our employees is obliged to adhere to the rules of fair competition. In addition, the provisions set out in the anti-trust guideline must be observed.

This means, for example, that no FUCHS employee is allowed to enter into an arrangement with competitors that leads to the fixing or coordination of prices, conditions, capacities, the allocation of customers or markets and production programmes. This also includes informal talks or jointly agreed ways of conduct that are aimed at or lead to one of the said restrictions of competition. Even agreements with suppliers and distributors may, under certain circumstances, be critical.

In cases where employees are not sure whether a matter falls under the anti-trust guidelines, it is recommended that they contact the Compliance Officer or the competent legal department as early as possible.

3.2 Anti-corruption

We are not prepared to do business at any price. In a competitive environment, FUCHS PETROLUB prefers to rely on the quality and value of its products and services and chooses its business partners exclusively based on competitive criteria (such as quality and price of service). Through clear guidelines, business processes and internal controls we support national and international efforts aimed at ensuring that competition is not undermined by corruption. In this context it is important to us to avoid even the appearance of offering inducements to our business partners. To this end, we have, among other things, issued a guideline against corruption.

a. Benefits for officials

It is strictly forbidden to offer payments, inducements or other benefits in kind as well as invitations to officials, civil servants, politicians and other employees and representatives of public institutions if such actions could put at risk the independence or integrity of these persons.

As an example, the independence and integrity of these public representatives is called into question if payments or other benefits are promised or granted in order to influence a decision or action in favour of FUCHS PETROLUB.

b. Offering and granting benefits

It is not permitted to grant benefits of any kind to business partners and employees of other companies with the aim of obtaining orders or unfair advantages for FUCHS PETROLUB. Handing out advertising gifts of little value or inviting people, within reason, to meals or events is permitted as long as the applicable laws and internal corporate guidelines are adhered to and the possibility of influencing a business decision is excluded from the start. Any benefits that go beyond this nominal level must be agreed in advance with the superior or competent Compliance Officer.

c. Demanding and accepting benefits

No FUCHS employee is allowed to use his position or function at work to demand, accept, procure or make others promise personal benefits for himself and/or third parties that he would not obtain without this position. Accepting the occasional customary gift of little value or, within reason, invitations to meals or events is permitted as long as the applicable laws and internal corporate guidelines are adhered to and the possibility of influencing a business decision is excluded from the start. Any gifts and other benefits that exceed that limit must, on principle, not be accepted. Taking part in (cultural, sports etc.) events that have exclusively or predominantly a social purpose, shall only be permitted after prior approval by the superior.

3.3 Expectations vis-à-vis business partners

FUCHS PETROLUB also expects its business partners to comply with the principles set out in this Code of Conduct. Hence, in order to do business with us, our business partners must – as we do – comply with the following principles:

- Adhering to all applicable laws.
- Abstaining from corruption.
- Observing the human rights of their employees.
- Abstaining from forced labour and child labour.
- Assuming responsibility for the health and safety of their employees.
- Guaranteeing these values in their own supply chain.

3.4 Distributors, consultants and agents

In order to sell its products and services FUCHS PETROLUB also uses independent distributors, consultants and agents, who also make an important contribution to the sale of products. If, however, the distributors, consultants or agents use illegal selling practices, it is not just their reputation but also that of the company that may be damaged. Under certain circumstances, illegal practices used by third parties could also be attributed to FUCHS PETROLUB, and as a result, create a (co-)liability for the company. Hence, FUCHS PETROLUB will do whatever is necessary to ensure that its distribution partners comply with the statutory rules. This entails in particular a careful selection of the respective distribution partner and thorough checks to establish reliability.

3.5 Foreign trade and export control

National and international laws restrict or ban the importation, exportation of or the trade in certain goods, technologies or services, the handling of certain goods as well as capital and payment transactions. The restrictions and bans may, among other things, be due to the quality or the intended use of the goods, the country of origin or use or the business partner himself.

All FUCHS employees who are involved in the importation and exportation of goods, technologies and services are obliged to comply with all applicable rules in particular those that cover foreign trade and export control laws, tax and customs laws, the money laundering laws and the anti-terror laws.

4. Avoidance of conflicts of interest

4.1 Conflicts of interest

Every FUCHS employee is obliged to make business decisions in the best interest of the company, to separate private interests from corporate interests and to always remain loyal to FUCHS PETROLUB. Any type of conflict of interest is to be avoided and, in cases of doubt, the superior must be immediately notified.

Conflicts of interest arise, for example, in the following situations:

- The private interests of a FUCHS employee differ from those of FUCHS PETROLUB.
- A FUCHS employee acting on behalf of FUCHS PETROLUB concludes contracts with close relatives.
- A FUCHS employee also works for suppliers, customers or a competitor of the company.

4.2 Non-competition

No FUCHS employee is allowed to run or work for a company as an employee, consultant or in other capacity which, in part or in its entirety, is a direct or indirect competitor of FUCHS PETROLUB. He is not allowed either to engage in other competing activities.

4.3 Involvement in other companies

FUCHS employees involve themselves neither directly nor indirectly (e.g. via family members) in companies that have a business relationship with FUCHS PETROLUB.

5. How to responsibly deal with company property

Every FUCHS employee is duty-bound to responsibly handle company property. Company property also includes communication equipment as well as intangible values such as know-how and industrial property rights. Any abuse and waste of company resources damages the operational and financial capacity of the company. Only the efficient use of all resources at all levels can secure the long-term success of the company.

The company property of FUCHS PETROLUB must be protected against loss, damage and theft. This protection also includes the careful handling of the means of work that FUCHS PETROLUB makes available to its employees to enable them to perform their tasks and achieve the corporate goals (e. g. communication equipment, office material, IT, machinery, vehicles).

We expect all FUCHS employees to handle these assets responsibly, avoid unnecessary costs, damage and other disadvantages, and refrain from abusing company property.

6. How to responsibly deal with information

6.1 Reporting

We shall take the greatest possible care when it comes to presenting FUCHS PETROLUB to the outside world, be it in writing, verbally and electronically, by way of presentations, business documents, audit certificates, or advertising material and speeches. This means that any reporting is carried out promptly, truthfully, completely and in compliance with the applicable rules and standards. This covers in particular, all written documents that are required for financial reporting and for compliance with disclosure obligations.

Negative statements or defamatory comments about the company, business partners, competitors or colleagues do not comply with our communication principles and are not permitted.

The media are particularly important for the presentation of the company to the outside world. There are specific departments within FUCHS PETROLUB that are in charge of dealing with the media. Any enquiries made by the media or other persons from outside the company must be passed on to these units or the Board.

6.2 Confidentiality

Business and operational secrets are a precious commodity; they ensure that we have a competitive advantage over our competitors. We therefore expect every FUCHS employee to treat confidentially any information about internal matters that they have become privy to or that has otherwise been made known to them while working for the company and to not pass it on without due authorisation.

Confidential information covers in particular strategic, financial and technical information. It may include details regarding the organisation of the company, prices, markets, customers, suppliers, marketing strategies, business and financial plans, figures compiled by the internal reporting unit, formulations, technologies etc.

We adopt the same approach when it comes to the business secrets of our competitors and business partners.

6.3 Data protection and safety of information

FUCHS PETROLUB observes the rights of its employees and the rights of third parties concerning their personal data. The company undertakes the necessary measures to ensure that personal data is only collected, processed or used for specific, clear and lawful purposes and always in strict compliance with the respective applicable privacy laws.

When using data FUCHS PETROLUB shall ensure that such use is transparent to the parties concerned and that their rights to information and rectification and, where appropriate, to objection or deletion shall be upheld.

FUCHS PETROLUB undertakes to ensure that appropriate standards are applied to the secure processing of information in order to guarantee the confidentiality, integrity and verifiability of any information that is worthy of protection, and to prevent unauthorised use.

6.4 Insider rules

FUCHS employees who receive insider information concerning FUCHS PETROLUB or business partners whose financial instruments (e. g. shares) are traded at the Stock Exchange, are subject to the statutory rules and regulations concerning insider information.

Insider information is precise information about circumstances concerning financial instruments that are not in the public domain and that may, in the event of their becoming public knowledge, affect the stock exchange or market value of the respective financial instruments.

It is forbidden

- to acquire or sell financial instruments, on one's own account or on behalf of a third party, based on insider information.
- to change or cancel an existing order concerning financial instruments based on insider information.
- to unlawfully pass on insider information to third parties. This includes both the passing on within the FUCHS Group and vis-à-vis third parties (e. g. customers, suppliers, analysts, journalists, friends, etc.).
- to recommend or instigate third parties to purchase or sell financial instruments based on insider information; and
- to acquire or sell financial instruments based on a recommendation or instigation, if one knows or ought to know that such a recommendation is based on insider information.

7. How to deal with the Code of Conduct

The Code of Conduct is binding for all group companies and for every FUCHS employee. Every FUCHS employee has the right to insist that the rules set out in the Code of Conduct be applied to him. Management shall endeavour to ensure that all employees know and adhere to the Code of Conduct.

Every FUCHS employee is called upon to immediately notify his superior and/or the competent Compliance Officer whenever receiving information concerning potential or actual breaches of applicable law, this Code of Conduct or the internal guidelines. In addition, FUCHS PETROLUB offers its employees the option to use an Internet-based whistleblower portal to provide detailed information of any breaches or suspicious cases they may have noticed and to enter into a dialogue with the Chief Compliance Officer. Upon request, the whistleblower can remain anonymous during the entire process.

The tips and information received will be treated and processed confidentially and with due care. If the company is presented with a well-founded suspicion that a breach has been committed, the appropriate Compliance Officer will contact the departments involved and take the necessary measures to clear up the matter.

Reporting breaches or misconduct will not adversely affect the whistleblower unless he knew or could easily have known that the information was incorrect.

The executives of FUCHS PETROLUB actively encourage the implementation of this Code of Conduct in their area of responsibility. They and the Compliance Officers are the first ports of call for questions and assist the employees in acting lawfully and in line with our values. Our employees are called upon to read this Code of Conduct, understand it and adjust their behaviour accordingly.

The Code of Conduct cannot stipulate every detail concerning the standards, procedures and rules of our group. If FUCHS PETROLUB has issued more detailed guidelines, instructions and rules for specific matters, they shall be binding.



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