

## A CODE OF CONDUCT

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## 1. Revision history

Version	Date	Reason	Section
1.0	Oct 22, 2009	Initial Roll-out	
2.2	Nov 1, 2014	Revision & Update of Code: Updates throughout and new sections added including: Introduction, Safeguarding Assets, Human Rights, Customer Relations, Compliance Organization & Code of Conduct violations.	1, 4.5, 4.7, 5.1, 8

## 2. Introduction

Directors, executives, and employees of Mauser Group and its affiliated subsidiaries (hereinafter “Mauser Group”) are obliged to observe a multitude of social, political and legal framework conditions. Violations of these rules could not only damage the reputation of the company but also lead to financial impacts, as well.

The observance of all applicable legal provisions including internal guidelines forms an indispensable basis for all actions of the Mauser Group. The *Mauser Group Code of Conduct* and accompanying Compliance Guidelines cannot deal with all legal provisions which must be observed globally, but will establish basic principles to guide the way we work.

This Code of Conduct and Compliance Guidelines is the foundation of the Mauser Group and provides guidelines on how to deal with work and company safety, corruption, external trade law, cartel law, data, and IT security. The Compliance Guidelines serve to ensure observance of legal or internal rules throughout the Mauser Group and must be observed by all directors, executives, and employees of the Mauser Group. These guidelines, where applicable, also extend to third parties with which we conduct business.

Our Code of Conduct captures the spirit of our culture and outlines how we can continue building on the trust of our colleagues, customers, partners and others we interact with on a daily basis. This requires there to be no wavering in our ethics, no matter how momentary. Every employee has the responsibility to read and understand the Code of Conduct, follow it in their everyday work, and report any inconsistencies which may come to their attention.

## 3. Our Principles

We, the directors, executives, and employees of Mauser Group, commit ourselves in relation to our shareholders, customers, partners, and community to fulfilling orders, solving tasks and meeting requirements at the highest level, however demanding they may be, and to achieving our goals in an ethical manner and to act with honesty and integrity. The Mauser Group Code of Conduct fully supports the Mauser Vision, Core Values and Strategic Guidelines. The fulfilment of this promise is made possible through the following basic principles of our company:

### **Trust and Reliability**

Our first and foremost ambition is to always preserve our shareholders, customers’ and partners’ trust in the reliability of our products and services.

### **Sustainability**

Our conduct is ethically responsible and satisfies the requirements of sustainable corporate governance throughout the global community.

## **Responsibility**

We treat all of the resources available to us in a careful, economical and responsible manner.

## **Openness and Respect**

We meet the multitude of international cultures and beliefs with respect and are open to the ideas, opinions and wishes of others.

These basic beliefs as stated above are essential factors in the success of Mauser Group in winning qualified employees in our product and service markets and for the social acceptance of our entrepreneurial activities. The reputation of our company created thereby depends crucially upon the conduct of our employees. Every director, executive, and employee does their part to contribute to achieving the above goals.

This Code of Conduct contributes to the successful implementation of our basic values by setting minimum standards that are binding upon all employees of the Mauser Group. Where similar or special rules exist in parallel – whether it is an applicable law or the Guidelines of the Mauser Group – the stricter provision is always applicable.

The Code of Conduct cannot answer all legal or ethical questions, but is an ever evolving platform to build and foster employee knowledge and sensitivity to these issues and provides an orientation in dealing with the legal and ethical questions that arise in connection with our daily work.

The mere formal observance of the Code of Conduct would therefore not satisfy our expectations. Instead we expect our employees to live and implement the Code of Conduct in their daily practise. This applies likewise for the directors and executives of the Mauser Group whom must always behave in an exemplary manner.

It is the responsibility of each and every director, executive and employee in the Mauser group, and any third party acting on behalf of the Mauser group, to understand and implement the Mauser Group Code of Conduct and the related guidelines and to seek help from the appropriate superior, Legal Department or their respective Compliance Officer or Trustee if and when there is any question or doubt as to how these rules apply in a given situation.

## **4. Our Expectations**

### **4.1 Observance of the Applicable Law**

The Mauser Group and its employees worldwide must observe and comply with every local, state, federal, national, international or foreign law or regulation that applies to the Company's business. If unsure whether a particular legal provision is applicable or how it should be interpreted, we should consult our supervisor, Compliance Officer or Trustee, or the Legal Department. Many of our activities are subject to complex and changing legislation governing domestic and international trade and commerce. Ignorance of the law is generally not considered a valid defense when an infraction is committed, regardless of the jurisdiction where the Company is operating.

## **4.2 Compliance with Internal Rules\Policies**

The same applies to all internal rules\policies of the Mauser Group. All employees must keep themselves informed about the legal provisions and internal guidelines applicable within their sphere of responsibility and must observe these in their work. Should a rule\policy be in direct contrast to any applicable law or regulation, the stricter of the two would apply. Should the law or regulation be the stricter then the respective policy should be highlighted to the responsible owner.

In any case of doubt, employees can inform themselves through their superior about the provisions to be observed.

## **5. Our Employees**

### **5.1 Leadership Culture**

We consider responsibly exercised leadership to form a basis of our common success.

All executives contribute essentially to the achievement of our goals. They bear responsibility for their co-workers and must win their recognition through exemplary personal conduct, openness, leadership qualities and social competence. This also includes the mutual trust placed by executives in their co-workers. They should agree on clear, ambitious and realistic targets. Whenever possible, executives should allow their co-workers to work on their own responsibility and give them space for their skills to unfold and the individual performance targets to be achieved. This requires the executives to further their co-workers in accordance with their personal abilities and functions.

### **5.2 Fairness, Tolerance, and Equal Opportunities**

Mauser Group is committed to providing a work environment that is free of any form of sexual or other harassment, whether it is harassment by a supervisor of an employee, an employee of another employee, or harassment by an employee of a customer or supplier or vice-versa.

Mauser Group is committed to ensuring that each one of us is treated with fairness and dignity; accordingly, any discriminatory practice based on race, color, sex, age, religion, ethnic or national origin, political affiliations or beliefs, disability or any other unlawful basis will not be tolerated. Mauser Group seeks to provide each of us with equal opportunity for advancement without discrimination. However, distinguishing between individuals based on the aptitudes or qualifications required for a particular employment does not constitute discrimination.

An employee who believes he or she has been the victim of, or a witness to, a situation involving harassment or discrimination should immediately report that situation to their supervisor, Human Resources representative, Compliance Officer or Trustee, or to the Legal Department. All such reports will be treated in confidence.

### 5.3 Confidential Information

All knowledge and information acquired in our company is an essential element of our business success. These are especially valuable assets. All employees are required, for the duration of our employment with Mauser Group and for some, based on contractual obligations, after employment terminates, to keep such information confidential and to use the utmost discretion when dealing with sensitive or privileged information. Such information includes, in addition to the technology used by the Company, intellectual property, business and financial information relating to sales, earnings, balance sheet items, business forecasts, business plans, acquisition strategies and other information of a confidential nature.

Confidential information must not be discussed with or disclosed to any unauthorized persons, whether Mauser Group personnel or others. We must take the necessary steps to ensure that documents containing confidential information, when sent by fax or other electronic media, are appropriately protected. We must take the appropriate security measures when destroying documents that contain confidential information (regardless of the medium by which such documents are recorded).

We must also keep confidential any similar information relating to the organizations with which the Company has a business relationship of any kind.

All confidential information should be securely stored.

### 5.4 Use of IT Resources as well as Data Protection

The increasing extension of internal communication and information systems, as well as the greater use of external network services (e.g. internet, social media, and e-mail); entail the processing of sensitive personal and corporate data. The protection of these data and the observance of the applicable provisions of data protection laws are indispensable pillars for our customers' trust in our company. All employees must therefore take care that personal data are collected, processed or used only the way locally admissible for clearly defined and lawful purposes.

Details are dealt with in the **Compliance Guidelines for Information and IT Safety**.

### 5.5 Safeguarding Assets

The loss, theft or inappropriate use of Mauser Group's property is prohibited due to its potential effect on the viability of the company. Therefore, the protection of the company's property by every director, executive, and employee is a matter of integrity and honesty.

We must use any company property entrusted to us in an appropriate manner, ensure that it is secure, and prevent theft and damage to the extent possible. Mauser Group property is provided for business purposes and must be used exclusively in this regard. Company property must not to be used for personal purposes unless explicit permission is otherwise received.

## 5.6 Avoiding Conflicts of Interests

It is important to us that our employees will not be exposed in their work to any conflicts of interests or loyalty. Mauser Group recognizes that we all have our own individual interests and encourages the development of these interests, especially where they are beneficial to the community at large. However, we must always act in the best interests of the company and we must avoid any situation where our personal interests conflict or could conflict with our obligations toward the company.

Such conflicts are possible especially if an employee works for another company or participates in it and this company has business relations with the Mauser Group. Therefore to avoid conflicts of interests, we must not, directly or through any members of our families or persons living with us or with whom we are associated, or in any other manner have any financial interests in a company that is a supplier, customer, competitor, or any third party which could have a negative impact on the performance of our duties, or derive any financial benefit from a transaction where we are in a position to influence the decisions taken. Additionally, we must not attempt to influence any decision of the Company concerning any matter with a view to deriving any direct or indirect personal benefit.

In any case of doubt, we must immediately inform our supervisor, Compliance Officer or Trustee, or the Legal Department of any business or financial interests that could be seen as conflicting or possibly conflicting with the performance of our duties.

## 5.7 Human Rights

At Mauser we are committed in our corporate activity not only to strict compliance with all applicable statutory provisions but also to the determined observance of human rights in our sphere of influence.

For additional information on our stance on human rights, please reference the **Mauser Group Human Rights Position**.

## 6. Our Business Partners

### 6.1 Customer Relations

The Company's prosperity is founded on customer satisfaction. Mauser Group expects us to preserve the quality of our customer relations by maintaining business relationships that are based on integrity, fairness and mutual respect. Only clear, concrete, pertinent and honest information is to be given to customers. We must be careful to avoid making any statement to a customer that could be misinterpreted. The Company does not tolerate the making of promises to customers which will probably be impossible to keep, regarding product quality and characteristics, delivery times and prices.

### 6.2 Transparent Reporting

Complete, honest, accurate, timely and comprehensible reporting and communication is important to us within the Mauser Group, but also in relation to the general public.

Our business transactions must be documented by our employees in accordance with legal and internal requirements; this includes proper recordkeeping and e-mail administration.

This is of the utmost importance for the credibility of the Mauser Group among its business partners. All employees are obliged to take care that these requirements are satisfied for reporting within the Group and for external reporting to third parties (e.g. public authorities, auditors or the press).

### **6.3 Integrity in Fair Competition**

Free competition is a cornerstone not only of our social order, but also of our corporate culture. For this reason, integrity is a fundamental requirement for us. We further and protect fair trade as a matter of business policy. In competition, we rely on achievement, customer orientation as well as the quality of our products and services, and we expect our employees to observe and follow the rules of fair competition. Agreements on prices or conditions are therefore prohibited, likewise bid-rigging, agreements with competitors not to compete, to submit sham offers or to divide up customers, territories, production programs or capacities.

Employees must not engage in illegal events in their field of work, nor may they tolerate illegal actions in connection with the Mauser Group. All executives must therefore take care that employees with competition-related functions are carefully chosen and continuously informed about the prohibition of restrictions of competition, and that the observance of these prohibitions is monitored through suitable measures.

Details are dealt with in the **Compliance Guidelines Cartel Law**.

### **6.4 Avoiding Corruption**

Mauser Group has a zero tolerance policy towards corruption of any kind.

No employee may use his position or function to demand, accept a promise of, or accept personal benefits. Likewise, it is inadmissible to offer, promise or grant benefits to public officials or to the employees or directors of other companies if only an appearance of corrupt action is created thereby.

Our employees will therefore not accept any gifts (except for the usual sales promotion gifts), invitations that are not appropriate or usual, or any other direct or indirect benefits, and will refrain from granting such benefits to the directors or employees of other undertakings.

Details are dealt with in the **Compliance Guidelines Anti-corruption**.

For additional information on requirements placed on our suppliers please reference the **Mauser Group Supplier Code of Conduct**.

## **7. Our Responsibility**

### **7.1 Product Safety and Environmental Protection**

We strive to sell safe products throughout the world.



In developing, producing and delivering our products, we attach the greatest possible value to safety and environmental protection.

## **7.2 Safety at Work and Health Protection**

We are responsible for our employees' well-being.

In this respect, Mauser group provides a safe and healthy work environment. The observance of safety regulations must be monitored continuously, and identified inadequacies must be remedied immediately.

Details are dealt with in the **Compliance Guidelines Safety at Work and Company Safety**.

## **7.3 International Trade**

The Mauser Group is conscious of its responsibility in international trade. The legal provisions applicable to the products and services of the Mauser Group in international trade are therefore binding. In particular, the Mauser Group observes all export and import regulations.

Details are dealt with in the **Compliance Guidelines External Trade Law**.

## **8. Observance and Implementation of the Code of Conduct**

We inform our employees about the applicability of the Code of Conduct.

We expect our directors and executives to inform all employees of the Mauser Group throughout the world in a suitable form about this Code of Conduct, including the rules and regulations referred therein, and to supervise compliance.

The Code of Conduct as well as all compliance guidelines and the contact data for all Compliance Officers are available to our employees on the intranet. The employees who do not have access to the intranet can turn to the HR departments of the group member companies and/or at our local business establishments, where access to the documents mentioned above will be made available in a suitable manner.

Any violation of the principles set out in this Code of Conduct can entail disciplinary or employment sanctions.

## **9. Compliance Organization & Code of Conduct Violations**

### **9.1 Compliance Organisation**

Mauser Group appoints a Compliance Officer for each SBU, and global functions of the Mauser Group to supervise compliance with the principles set out in these Compliance Guidelines. The Chief Compliance Officer for the entire Mauser Group leads this compliance organization.

The Compliance Officers are the contact persons in any case of doubt and will help to further clarify questions surrounding these Guidelines. All employees have the ability to

make suggestions and address complaints to the proper Compliance Officer, in particular any violations against these Compliance Guidelines. In case of doubt, a reported violation of these Guidelines made by an employee involved in the violation may be taken favourably into their account.

Quarterly, Compliance Officers provide written reports to the Chief Compliance Officer regarding violations, suspected violations, or confirmation that there have been no violations of these Guidelines.

Compliance is the responsibility of all employees and directors of the Mauser Group. However, the Compliance Organization has further requirements to ensure the awareness and adherence to Compliance Guidelines. Executives of the Mauser Group must inform their co-workers in a suitable form about the Compliance Guidelines and their contents and must take care that they are implemented in practice. The responsibility for the implementation of the Compliance Guidelines within the member companies of Mauser Group is upon their directors and the respective Compliance Officers or Trustees.

## **9.2 Violations of the Code of Conduct**

The Mauser Group Code of Conduct serves as a representation of the ethics, values, and integrity of how we conduct our business. This document is the bedrock of our behaviour and signifies internally and externally our commitment to conducting and creating business in the right way.

As such, any breaches or violations of the Code of Conduct will be dealt with quickly and swiftly. Any actions on the part of our employees or business partners which are in direct contrast to our Code of Conduct may lead to termination of employment or termination of a relationship with a business partner.

## **9.3 Reporting Violations**

Any behaviour that violates or deviates from the Mauser Group Code of Conduct should be reported immediately to your supervisor, Compliance Officer or Trustee, Legal Department or the Head of Global Internal Audit. If, after such notification, appropriate steps have not been taken, we should then bring the matter to the attention of one of the other persons mentioned above.

Mauser Group will not tolerate retaliation against any individual for reports of any violation of any laws, rules or regulations or of the Mauser Group Code of Conduct that are made in good faith. All directors, executives, and employees are expected to cooperate in internal investigations of misconduct.

Mauser Group has created an email account for those who would like to report violations. The email account is [compliance.office@mausergroup.com](mailto:compliance.office@mausergroup.com). Tips, concerns, or relevant information regarding compliance matters can be provided anonymously, if deemed appropriate.

## **10. Contact Persons**

Our executives as well as the Human Resources departments are available to our employees as contact persons to clear up questions, in any case of doubt, and to report violations of the Code of Conduct and the Guidelines. The Chief Compliance

Officer of Mauser Holding GmbH and the Compliance Officers of the various companies of the Mauser Groups are also available at any time.

Brühl, 1 October 2014

Mauser Holding GmbH  
Management