



**Code of Conduct
of
Kahl GmbH & Co. KG**

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Preface by the Management

For us as an innovative family business, our products' high quality as well as sustainable and safe production are the key factors of our success – which determine our everyday business activities. We are committed to the mission statement of a diligent businessman and are convinced that acting in accordance with the principles of this model is the only way of achieving long-term economic success.

Kahl's good reputation and the trust put in our company by business partners, customers and public authorities largely depends on the conduct of each and every one of our employees. Even seemingly insignificant violations of the law can seriously harm our reputation and inflict considerable damage on both our company and our employees.

This Code of Conduct and its accompanying guidelines define the framework for our activities. We are convinced that acting in accordance with this framework is the only way to achieve long-term economic success.

This Code of Conduct is aimed at providing you with guidelines that define the behaviour we expect from our employees. Each employee is required to observe these guidelines and act accordingly in the interest of our company but also for your own protection, as violations could have serious consequences for you personally, too.

We strongly encourage our employees to actively promote the implementation of this Code of Conduct and its accompanying guidelines. This Code will only come to life when it is consistently applied as an integral part of our daily routine.

If you have any queries or suggestions regarding this Code, please contact your superior or the Management. We will be happy to answer your questions or clarify any uncertainties.

Dr Matthias Seemann und Tanja Tegner

1. Scope of application

This Code of Conduct as well as all other compliance guidelines are directed at Kahl's employees. This Code defines the fundamental rules for the business activities and conduct of our employees.

This Code of Conduct is deliberately written in general terms, as it cannot take into account every conceivable case that may arise in day-to-day business. Integrity and compliance as defined in this Code must be the benchmark for all our actions – also in cases that are not explicitly stated herein. If in doubt, each individual employee can contact his/her superior or the Management for clarification. It is the responsibility of our executives to ensure a work environment that, at any time, enables and promotes integrity and acting in compliance with legal requirements.

2. Mutual respect

We are committed to create an environment that is characterised by mutual respect, support and teamwork. We appreciate an environment that promotes open communication, continuous development and versatility. Each and every one of us is responsible for creating a work environment that values commitment, trust and respect. We are aware of our responsibility to respect the personal dignity, privacy and individual rights of employees, customers and suppliers. Kahl expects from its employees – but also from its customers, service providers and suppliers – that they recognise and adhere to these principles.

3. Integrity and compliance with laws

Kahl's reputation is shaped by the appearance, conduct and behaviour of each individual employee. Illegal or inappropriate conduct by even one employee can do substantial damage to the company. Every employee is therefore required to observe the principles outlined in this Code in his/her daily work.

Compliance with national and international laws is our leading principle. We refrain from doing or omitting anything that would create a violation of law. There are no permissible exceptions to this rule, even on the basis of customary industry standards or specific regional circumstances. Each employee is obligated to consistently adhere to the laws applicable in his area of responsibility. We urge all our employees to disclose any illegal activity, e.g. fraud or corruption, to the Management.

Each employee is obliged to keep up to date with both legal changes and the currently valid compliance guidelines and adapt their actions to any such changes accordingly.

In case of doubt, each individual employee is encouraged to contact the Management in order to request qualified legal advice.

4. Protection of company assets and confidential information

The property of Kahl must only be used for activities that are carried out in accordance with the company's objectives. Kahl's employees are also its trustees and therefore obligated to protect the company's property from loss, damage of theft.

All corporate affairs of Kahl and its business partners must be treated as confidential. Each employee is obligated to safeguard the information entrusted to him/her. All proprietary information is subject to non-disclosure and must therefore be protected from disclosure to any unauthorised third party.

Propriety information is any information that is not available to the general public. Employees who have access to confidential information must use this information for business purposes only and not pass it on to any third party. In the course of contacts with colleagues, it must always be ensured that sensitive information is only passed on to those colleagues who need any such particular information to carry out their occupational activities. This confidentiality obligation applies both during and after their employment. In cases where a certain business relationship requires the sharing of confidential information with third parties (e.g. consultants, suppliers), the recipient of the transferred information must sign a confidentiality agreement.

5. Data protection policy for employees and partners

All employees are obligated to observe the rules on data protection and, in particular, to help actively ensure that personal data are reliably secured against unauthorised access.

Personal data may only be collected, processed and used insofar as this is necessary for a clearly defined purpose in the legal performance of duties and as permitted under the German Federal Data Protection Act. The protection of data and information not only refers to electronic data but also to data on paper or any other data medium. Data carriers containing personal data must be disposed of in pursuance with statutory regulations. Careless discarding of documents may constitute a serious violation of data protection laws. Large parts of our business activities could not be carried out without the help of IT systems and the integrity of the processed data. All employees must therefore handle the IT systems entrusted to them, including the data they contain, with the appropriate care.

In this context, we expressly point out to our employees that violations of data protection laws will be prosecuted and may lead to claims for damages.

6. Occupational health and safety & environmental protection

At Kahl, protecting the health and safety of our employees, our most valuable assets, enjoys top priority.

However, each employee must assume his/her share of responsibility to ensure occupational safety and health protection in the workplace. Especially the statutory regulations regarding occupational health and safety and environmental protection applicable in the laboratory, in the warehouse and in production must be strictly observed. Although some may find certain safety regulations a nuisance in one way or another, this should not lead us to lower our guard.

Violations may result in disciplinary consequences.

7. Anti-discrimination

Our workforce is made up of people from different nationalities and religions.

No person is to be unfairly disadvantaged, favoured or ostracised because of ethnic or racial status, colour, nationality, descent, gender, sexual orientation, religion, ideology, political affiliation, age, physical condition or appearance. Every employee is obligated to respect the personal sphere of other employees.

8. Relationships with suppliers

We foster respectful relationships with our suppliers and treat them fairly. We wish to cooperate with them for many years to come and we affirm that we will neither discriminate them nor put them under pressure. At the same time, we expect our suppliers to observe the rules of fair business operations and respect our ethical standards and principles.

9. Relationships with public bodies and authorities

In dealing with public bodies or authorities, special care must be taken that no payments or other benefits are promised or granted with a view to influencing the actions of an official or other holder of public office. Even saying thank you for working particularly quickly or similar is not permitted, even though it might seem customary in international business activities.

Our dealings with authorities are characterised by a cooperative and open conduct. Information will be provided to authorities only by authorised employees. Always check with the Management when in doubt or before responding to any request from a public authority for information other than a routine inquiry.

The Management must be informed immediately in the event of inquiries from public authorities investigating the violation of applicable laws by our employees (e.g. customs

office, antitrust authorities, police, public prosecutors).

10. Undue advantages

Business decisions shall be based on transparent and objective criteria. Gifts, invitations and other favours that are improperly used or that suggest that their purpose is to influence our decisions, must be strictly avoided.

No employee of Kahl may directly or indirectly offer or grant unjustified advantages to others in connection with business dealings, neither in monetary form nor as some other advantage. No employee may use his/her job title to demand, accept, obtain, or be promised advantages.

It is the duty of every Kahl employee to ensure that business agreements are conducted in a completely independent manner and exclusively in full compliance with the best interest of our company.

Exceptions are granted only for nominal gifts for a specific occasion or advertising gifts as well as business meals and invitations to events, as long as these are kept within the bounds of what is appropriate and are not intended to influence business decisions in an improper manner. Check with the Management in case of uncertainties about the acceptability of such gifts or favours.

The indirect granting of advantages through consultants, intermediaries or agents is also prohibited if the underlying objective is to influence official action or grant officials some improper advantage.

Non-compliance with this principle will result in disciplinary measures. This applies to both the unlawful acceptance and granting of gifts, invitations and favours.

11. Prevention of conflicts of interest

Every employee is obligated to carry out his/her job activities independently and in the best interest of Kahl. Every employee must make sure that no conflicts of interest can arise. Even the appearance of a possible conflict of interest must be avoided as much as possible by creating transparency.

12. Implementation of this Code

Together with implementing this Code, Kahl is introducing a compliance structure with different guidelines about certain topics.

It is every employee's responsibility to ensure that his/her actions comply with this Code of Conduct and the respective Compliance Guidelines. Violations by employees or third parties may result in serious disadvantages for both Kahl and the persons involved in such

violations.

Every employee is entitled and hereby expressly instructed to report any Code violations to our executives or the Compliance Officer. This serves to protect Kahl, as it is essential to become aware of any possible violation as early as possible in order to take countermeasures in good time. Kahl is committed to duly protect every employee who genuinely expresses his/her concern. Genuine reporting of violations does not mean that such concerns are necessarily justified. However, the employee reporting a possible violation should be convinced that the supplied information is correct.

It is expressly pointed out that deliberately making false accusations is detrimental to treating one another fairly, and therefore constitutes a violation of this Code of Conduct in itself.

Our executives are expected to fulfil a role model function with respect to their personal behaviour and implementation of this Code of Conduct. Kahl will not hold any employee responsible for possible economic or other disadvantages that can be attributed to compliance with this Code.

In cases of duly proven violations of this Code of Conduct, Kahl reserves the right to take disciplinary or legal action, up to and including termination of employment, and, if deemed appropriate, claim damages. However, the underlying aim of introducing this Code of Conduct is to prevent any such conflict situation from arising.

13. Ombudsman

Every employee who has reasonable grounds for considering that crimes have been committed or possesses information on improper business practices or other potential risks shall, in the interest of Kahl and all of its employees, contact our ombudsman early on.

Kahl's ombudsman, the lawyer Dr Malte Passarge, by observing the attorney-client privilege, has been entrusted with the role of examining and assessing confidential information provided by employees with regard to the following aspects:

- Improper business practices.
- Business-related crimes, which means crimes committed by our employees in connection with their position or job activities in our company (e.g. fraud, corruption, cartel violations, embezzlement, breach of trust, theft, disclosure of trade or company secrets).
- Improper acts within the company that may constitute a risk to life and limb or cause considerable material damage or have a significant adverse impact on the reputation of the company.

The ombudsman may only forward information to the Management upon approval by the informant and only within the scope of this approval (e.g. without stating the identity of the

informant or by excluding specific details). The ombudsman, acting as a kind of “trustee” for the informant, shall keep the informant’s identity secret upon request.

All information will be thoroughly reviewed and assessed, albeit by observing the principle of the assumption of innocence and preventing false suspicions.

As a matter of fact, we will not tolerate improper use of the ombudsman, e.g. by deliberately making false allegations to the detriment of certain individuals.

Providing information on possible violations of this Code of Conduct, even in cases of vague suspicion, is exemplary, courageous and loyal behaviour that has nothing to do with denunciation. This holds true even when information, provided in good faith, later turns out to be unfounded.

The Management guarantees that no informant, who has provided information in good faith, will be discriminated, reprimanded or suffer other disadvantages. In addition, we assure every informant that we will protect him/her from reprisals from third parties to the best of our ability.

Hamburg, March 2020