

CODE OF CONDUCT
for the KAP-Beteiligungs-AG
and its associated Companies

CODE OF CONDUCT for the KAP-Beteiligungs-AG ("KAP") and its associated Companies

Goal-setting

In order to guarantee a high level of integrity in all our activities, we have drawn up the following Code of Conduct for orientation purposes. It contains the fundamental requirements of behaviour for all the employees within our organisation. At the same time, it represents the binding framework and the brackets for all specific guidelines and sets of rules. The internal guidelines serve as binding instructions and provide support in terms of adherence: both to laws and statutes and to company-internal specifications.

The Code of Conduct is the KAP-Beteiligungs-AG's central guide for all business activities and relationships. The regulations contained herein represent the minimum multijurisdictional, multinational and social standards for ethical behaviour within the KAP Organisation. Nothing can replace personal integrity and a sound sense of judgement for all involved. An important prerequisite for achieving this, is that we all become familiar with the rules that are relevant to our work and that we are aware of the implications of every action we perform and every decision we make.

As an international organisation, we are responsible for adhering to the laws and statutes of all the countries and regions in which we are active. This is essential to protect our organisation from possible damage and in order for us to act with integrity.

For example, this includes

- ethically flawless behaviour within the company and in our dealings with external business associates and authorities
- consideration of all relevant legislation, both at home and abroad
- adherence to export and import bans and embargo regulations
- protection of the health and safety of all our employees
- respect for human rights.

As a result, our Management Board and the company management teams of our associated companies are obliged to provide an example to the employees, and to live this claim credibly. Our managers shall ensure that all employees are familiar with, and adhere to all the relevant legislation and internal guidelines.

In order to recognise the needs of our customers at an early stage, and to meet their expectations in the best possible way, we need to improve continuously. Therefore, we work constantly towards the optimisation of our structures and processes, in order to achieve and ensure the highest quality standards. The satisfaction of our customers is our top priority – it is always the main focus of our activities.

Our customers, shareholders, employees, suppliers and business associates have placed their trust in us. We are therefore obliged to ensure open dealings and transparent internal and external communication. We are aware of the responsibility that arises from this. In the acquisition of new

customers, we always consider the applicable laws. Information is always made available to the public, under consideration of the internationally recognised Corporate Governance Standards.

Working for the KAP Organisation means respecting the rights of others and avoiding anything that could harm the company or its employees, both privately and professionally. We do not tolerate discrimination or harassment in any form, either internally or in cooperation with business associates.

Conflicts of interest

Conflicts of interest could arise in the relationship between the KAP Organisation or its investment companies and customers, or between the KAP Organisation or its investment companies and employees. Alternatively, conflicts of interest could arise between various customers. We need to do everything possible to avoid conflicts of interest; unavoidable conflicts of interest shall be resolved in an ethically flawless manner, as quickly as possible. We expect our employees to inform their superiors of relationships to people or companies that could lead to possible conflicts of interest.

In order to guarantee independence, our employees shall not demand, accept or hold in prospect any monetary contributions, gifts or other advantages or favours from people with whom they interact in the course of their duties. Exceptions are only permissible when discussed in advance and approved by management. Acceptance of low-value gifts is generally acceptable, and represents the only exception to this rule.

Independence

All our employees shall apply their work efforts to the organisation at which they are employed. Without prior permission from Management, they are not permitted to work either for themselves or for others, either as a freelancer or as an employee. Neither shall they engage in secondary employment, either in their own name, on their own account or in the name of, or on the account of a third party, without the prior knowledge and express permission of Management. Exceptions to the above shall only be considered in such cases where the interests of the KAP Organisation or its respective investment companies are not affected.

Confidentiality and data protection

We attach great importance to the comprehensiveness and accuracy of the information that we compile, and we handle business matters of which we become aware in the course of our duties in strict confidence. We do not misuse confidential information and we do not pass such information on to the third parties.

We make every effort to protect company data and personal customer and employee data from unauthorised access and from unauthorised or improper use, loss and premature destruction, with all the appropriate and fitting technical and organisational measures that we have at our disposal. Therefore, all our employees are obliged to take the necessary precautions to guarantee the security of IT systems with regard to internal and external misuse and threats. Furthermore, we are obliged to work with great care and to ensure strict confidentiality when capturing, saving, processing and transferring the personal data of employees, customers or third parties. The same applies to adherence to applicable laws and statutes.

Cooperation characterised by respect

Our goal is always to gain committed, competent employees for the KAP Organisation. We treat all people with dignity and respect, regardless of their origin and life circumstances. Therefore, in the interests of equal opportunities factors such as age, disability, ethnic origins, skin colour, gender, pregnancy, sexual identity, citizenship, religion and marital status do not play any role in our staff selection process. We assess our employees according to their work performance and supply them with fair feedback in this respect. We treat one another with dignity and respect. Employees who violate this policy must reckon with disciplinary action. We strive to solve any problems that arise in the workplace confidentially as quickly as possible and under the consideration of the interests of all those involved. We foster an open culture of communication within the KAP Organisation, because we are convinced that addressing doubts openly makes a decisive contribution towards reducing the incidence of misconduct, or bringing it to light and correcting it at an earlier stage. Therefore, we attach great importance to an open work climate in which employees are able to turn to their superiors or to management, even in critical situations.

Rejection of every form of corruption

We foster trusting, fair, respectful conditions of business towards our business associates and expect the same in return. Our Purchasing Department takes the laws and statutes of the countries in which we are active into consideration. We convey our principles regarding ethical and integrity-based dealings to our business associates and encourage them to conduct their activities according to the same standards. Furthermore, we negotiate with our suppliers, as far as possible, that they also adhere to our Code of Conduct.

In business decisions we cannot allow ourselves to be influenced by allowing unpermitted advantages or promises from suppliers, or by accepting such advantages. The same applies to unpermitted advantages. Should any unpermitted advantages be offered or promised to us, we are obliged to inform KAP's Legal Department.

Our competitors and business associates

We act as a fair competitor and do not disparage any other company. We adhere to the legal guidelines regarding the assurance of free competition. This applies particularly to agreements with competitors and other third parties, if such agreements could affect competition. We do not participate in price fixing or any forbidden coordinated market behaviour.

Furthermore, we are aware of the particular value of intellectual property; therefore, we not only protect our own knowledge and our own inventions. We also respect the intellectual property of our business associates and our competitors.

Financial reporting/Prohibition of insider trading

Our shareholders expect us to adhere to the legal requirements for management and monitoring of the company and the internationally recognised standards for good business management. This requires transparent financial reporting, in order to put us in a position to provide a picture of the situation regarding assets, finances and income. Against this backdrop, all the employees of the organisation are obliged to make a contribution towards our business transactions being comprehensively and accurately recorded in our books. In order to retain the trust of our investors and shareholders, we observe the statutory prohibition of insider trading.

Place of work/Resources

Our employees have the right to work in a healthy, safe environment. Therefore, we adhere to the laws and regulations governing Health and Safety in the Workplace. At the same time, our managers support their employees in creating a balance between work and private life and encourage them to make use of health promotion offers.

We treat our work equipment, which is the property of the company, carefully and only use it for the purpose for which it is intended. We strive to utilise our resources efficiently.

This also includes environmentally conscious and environment-friendly work methods. For us, this means adhering to the applicable environmental laws and the use of sustainable technologies as far as possible.

Measures in the case of violations

As far as any kind of violation of agreements and rules by employees within the scope of their employment are concerned, appropriate disciplinary action will be initiated. Primarily, an attempt shall be made to encourage a change in behaviour by explaining the importance of our Code of Conduct to the perpetrator. However, in the case of serious violations, measures in accordance with labour laws and disciplinary regulations could result.

For any questions regarding the Code of Conduct or violations thereof, employees can approach their supervisors, management, the HR, Legal or Finance Departments, or – where available – their employee representatives. At the same time, all employees are obliged to inform KAP's Legal and Compliance Department should they become aware of any such violations. Furthermore, employees can turn to one of the external ombudsmen appointed by the KAP-Beteiligungs-AG, at <http://www.kap.de/unternehmen/corporate-governance/ombudsmann.html>.

The role of an ombudsman is to advise and support informants, as a neutral, independent contact person, in clarifying the suspicion of significant violations of the Code of Conduct, particularly in the case of suspicion of illegal business practice. The ombudsman shall treat all communication with the informant confidentially, and is only permitted to pass on details of the circumstances and the identity of the informant to the company with his/her express consent.

Employees who report an actual or suspected violation in good faith, as described above, shall not be allowed to suffer any disadvantages as a result. KAP's legal department is available to assist both employees and third parties.

All reported cases and the investigations that result shall be documented. At the end of the enquiry, they shall be finalised with a standardised closure statement. The cases that have been closed shall be reported on in the next quarterly report.

No exceptions are permitted in terms of adherence to the Code of Conduct without a legitimate reason. Appropriate arrangements and exceptions can only be approved by Management.

Coming into force

This Code of Conduct applies to the entire KAP-Beteiligungs-AG and its employees, and it includes all direct and indirect majority holding companies of the KAP-Beteiligungs-AG, both domestic and foreign, and their employees. It comes into force upon adoption by the Management Board of the KAP-Beteiligungs-AG.

Fulda, March 2017
KAP-Beteiligungs-AG



Dr. Stefan Geyler
Member of the Management Board



André Wehrhahn
Member of the Management Board

