# KLÖCKNER PENTAPLAST CODE OF BUSINESS CONDUCT AND ETHICS

#### Introduction

This Code of Business Conduct and Ethics (the "Code") of Kleopatra Holdings 2 and its respective direct and indirect subsidiaries ("Klöckner Pentaplast" or the "Company") is intended to reflect and preserve the high standards of business conduct that have been and are a tradition of the Company. Klöckner Pentaplast is committed to full compliance with both the letter and the spirit of the numerous and sometimes complex laws and regulations that affect the Company. Notwithstanding laws, ethics is a body of principles or standards of conduct that guide the behavior of individuals and groups beyond that of written laws. These standards are linked closely to our corporate vision, strategies and values and are intended to provide guidance to persons functioning in managerial or administrative capacities, as well as to all employees. Each employee, officer and director of the Company is expected to read and understand this Code, uphold these standards in daily activities and take personal responsibility for compliance with this Code and all applicable policies and procedures of the Company. This Code has been approved by the relevant Boards of Directors or any other competent corporate organ of Klöckner Pentaplast and by the Company's executive management team.

To the extent legally possible the Company will expect its suppliers, consultants and other third parties it does business with to commit to the standards set out in this Code.

In furtherance of the Company's commitment to ethical standards, we are committed to regularly reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. The Company will communicate changes to this Code prior to the implementation of such changes.

The guidelines in this Code are neither exclusive nor comprehensive. Because the business and legal environment in which the Company operates is complex, it would be impossible to formulate a single policy that would govern all possible situations. Employees are expected and required to comply with the letter and the spirit of all applicable laws and Company policies, whether or not specifically addressed within this Code. This Code encompasses the basic ethical code that shall direct the behavior of individuals and groups and forms the guiding basis of the more specific policies applying throughout Klöckner Pentaplast. If questions arise regarding the interpretation, application, or existence of any law, they should be directed to Compliance Officer of the Company (see Section M of this Code).

Any employee, officer or director who violates this Code will be subject to immediate disciplinary action, including, alone or in combination, a warning or letter of reprimand, reassignment, demotion, loss of merit increase or termination of employment. In addition, the Company may sue you in court. Violations of this Code could also result in you being prosecuted if you have violated any criminal statutes.

If you are in a situation which you believe may violate or lead to a violation of this Code, follow the guidelines described in Section N of this Code.

# A. Employment Practices

# Health and Safety

Klöckner Pentaplast has an overriding commitment to the health and safety of its employees and the communities in which it operates. Ultimately, safe operations depend on the proper conduct of all employees of Klöckner Pentaplast and the Company is committed to taking all appropriate steps to prevent workplace related injuries and illnesses.

Klöckner Pentaplast workplaces must comply with safety and health standards and be free of recognized hazards that could cause injury, sickness or death. Employees have the responsibility to carry out their duties in a safe and efficient manner. To eliminate potential hazards, employees must immediately report unsafe conditions and immediately correct unsafe acts observed or performed. No employee will be subject to retaliation, discrimination, or any other adverse employment action for reporting concerns about safety or environmental problems. Supervisors and employees must report any work-related injury or sickness promptly as specified in Company policies and practices.

# Equal Employment Opportunity

Klöckner Pentaplast is committed to providing equal opportunity to applicants and employees in all areas of employment, including hiring, training, promotion and compensation, and will not tolerate illegal discrimination based on race, religion, age, gender, disability, sexual orientation or national origin or any other status protected by applicable law. All employees are entitled to work and participate in employersponsored activities in an environment free of sexual, ethnic and religious harassment, hostility or intimidation. Klöckner Pentaplast's policies require compliance with all applicable anti-discrimination laws.

# Substance Abuse

Klöckner Pentaplast prohibits employees from using illegal drugs and misusing prescription drugs while on company premises or being at work while under the influence of any illegal drug or alcohol. Drugs and alcohol are controlled substances and Klöckner Pentaplast has a zero tolerance policy in relation to employees abusing or being under the influence of these substances. Possession of illegal drugs is a criminal offence in the UAE. Klöckner Pentaplast may have a positive obligation to report employees who abuse drugs and alcohol to the police.

# **Employee Privacy**

Klöckner Pentaplast respects the privacy and dignity of every employee. Klöckner Pentaplast collects and retains employee personal information that is required for effective operation of the Company or that is required by law. Personal information is data related to an individual who can be identified by that data alone, or in combination with other data or information which is in the possession of Klöckner Pentaplast. The Company uses procedures designed to protect and limit access to employee personal information in compliance with all applicable laws that govern employee privacy. No employee is permitted to access or otherwise use employee records or information unless authorized to do so and then only to the extent required for legitimate business needs in accordance with applicable laws.

#### Threats and Violence

The safety of Klöckner Pentaplast employees is paramount and therefore employees are prohibited from engaging in violence or other deliberate acts intended to harm another person or property on Company premises. Similarly, Klöckner Pentaplast employees must not make threatening or menacing comments, or behave in such a way that may threaten the personal safety or property of another person, in the workplace. Harassment, violence or threats of violence should be reported immediately following the guidelines described in Section N of this Code.

Where legally enforceable, Klöckner Pentaplast prohibits on Company premises, or property leased or owned by Klöckner Pentaplast, the possession, concealment, use or transfer of any firearm or other weapon, including knives, clubs, explosives or other devices that are primarily used to inflict injury.

# **B. Business, Accounting and Financial Reporting Practices**

Klöckner Pentaplast strives to maintain accurate and reliable corporate records that comply with applicable accounting rules and established internal controls. No payments of money, transfers of property, furnishing of services or other transactions on behalf of Klöckner Pentaplast will be approved without adequate supporting documentation, or made with the understanding that any part of such payment is to be used for any purpose other than that described by the documentation. An undisclosed or unrecorded fund or asset may not be established for any purpose.

Every Klöckner Pentaplast employee shall:

- Present any financial information and any information relevant for any financial statements fairly (e.g., accurately, completely, objectively, relevantly, timely and understandably) in accordance with applicable laws, rules and regulations.
- Adhere to, and, where applicable, monitor and improve, Klöckner Pentaplast's processes to maintain effective internal control over financial reporting.
- Act in good faith, responsibly, with due care, competence and diligence, using considered, professional, independent judgment, and seek at all times to present all reasonably available material information on a timely basis to management and others in accordance with Klöckner Pentaplast general accounting policies.
- Protect the confidentiality of information acquired in the course of his or her work.
- Use confidential information acquired in the course of his or her work only for proper Klöckner Pentaplast business purposes, and not for personal advantage.

# C. Conflicts of Interest

A "conflict of interest" exists when your private interest interferes in any way with the interests of the Company. A conflict of interest occurs when you take actions or have interests that may make it difficult to perform your Company work objectively and effectively. Conflicts of interest also arise if you or members of your family receive improper personal benefits, such as cash, loans, guarantees of loans or inappropriate gifts, as a result of your position in the Company.

For an employee, a conflict will also arise, in almost all cases, if you work for or have a significant financial interest in a competitor, customer or supplier. Company employees are not allowed to work for a competitor or to serve as a consultant or board member of a competitor. The best practice is to avoid any direct or indirect business connection with the Company's customers, suppliers or competitors, except on the Company's behalf.

Conflicts of interest are prohibited as a matter of Company policy. Conflicts of interest may not always be clear-cut, so if you have a question in this regard direct it to the Compliance Officer of the Company (see Section M of this Code). Should you become aware of a conflict or potential conflict, you can also follow the procedure set out in Section N of this Code.

Where directors have financial interests or hold other employment or directorships that present potential conflicts of interest, they are expected to disclose that information to the Board, and to recuse themselves from any related decision making.

# <u>D. Gifts</u>

Subject to limited exceptions, employees may not, directly or indirectly, accept money, loans, guarantees of loans, gifts, services, favors entertainment, travel, or preferential treatment for any services provided as a Klöckner Pentaplast employee or in connection with agreements with outside parties. An employee, however, may accept conventional business courtesies, such as lunches, where a similar favor can be returned, as well as non-cash gifts of a reasonable value. For details please see the "Gifts and Hospitality Procedure". Business entertainment that involves representatives of other companies as well as Klöckner Pentaplast may be accepted if no questionable gifts, goods or travel are included. Acceptable gifts might include:

- unsolicited gifts of nominal value, such as pens, cups, T-shirts, gift baskets, etc., or
- reasonable lunches, dinners, paid invitations to sporting or other cultural events like concerts, theater visits, etc., where representatives from different organizations attend to discuss and promote business relationships.

Not acceptable are money, shares, gift certificates or other financial assets. In addition, certain business departments may apply stricter rules with respect to the matters set out in this Section.

If you are not entirely sure of the propriety of accepting such gifts or invitations you should contact the Compliance Officer of the Company (see Section M of this Code).

# E. Travel and Entertainment

All Klöckner Pentaplast employees are required to ensure that their business travel is intended to further Klöckner Pentaplast business interests, and that travel and entertainment expenditures are reasonable, prudent and in accordance with applicable corporate or regional travel and expense policies as well as the "Gifts and Hospitality Procedure". Many of Company employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate you should contact the Compliance Officer named in Section M of this Code.

All travel expenses related to supplier visits or external meetings and events, arranged by suppliers, have to be paid by Klöckner Pentaplast employees themselves in accordance with the existing travel policies of Klöckner Pentaplast.

# F. Confidentiality, Use of Company Assets, Information and Technology

# Confidentiality

The protection of confidential information is crucial to the success of Klöckner Pentaplast, including confidential information about the Company's customer and suppliers. Aspects of our business are built on information: our products, our plans and strategies for customers and their needs. These are all information assets of Klöckner Pentaplast. These information assets include, but are not limited to:

- Patents, trademarks, licenses and other types of intellectual property.
- Know-how, including but not limited to proprietary equipment, suppliers (equipment and raw material) and product formulations
- Future business ideas and concepts
- The features of unreleased product, schedules and launch strategies
- Network and systems access passwords
- Database extraction rights
- Financial data that has not been disclosed to the public
- Information relating to pending acquisitions and joint ventures
- Production, marketing and sales forecasts
- Pricing and sales strategies
- Customers' names and their product needs
- Vendors, suppliers and the terms of the Company's arrangements with them
- Prices of purchased goods, materials and services
- Employee records
- Organization charts and organization changes

- Operational strategies
- Security procedures
- Any other information that has value, provides competitive advantage and is not generally available to the public

Confidential information can be presented or stored in many forms including, but not limited to: documents on paper, information passed on by voice, information on hard drives and other electronic storage media, charts and graphic presentations, audio and video tapes, and email. In any form, the confidential information must be protected.

Klöckner Pentaplast confidential business information is entrusted to our employees and partners to enable them to do their jobs successfully. This confidential information belongs to Klöckner Pentaplast and is to be used solely for company purposes. Keeping our proprietary business information and trade secrets confidential is essential for our success and growth.

Keeping our customers', suppliers' and partners' business information confidential is essential to maintaining our reputation and our relationship with them. It is the policy of Klöckner Pentaplast to protect its confidential business information and that of other companies entrusted to Klöckner Pentaplast. The obligation to preserve confidential information continues even after employment with the Company ends.

# **Company Opportunities and Assets**

You may not take for yourself any opportunities that were discovered in the course of your work for the Company or through the use of Company property or information. Nor may you use Company property, information or position for improper personal gain, and, of course, you are not permitted to compete directly or indirectly with the Company. You owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

No employee, officer or director shall borrow or make use of the Company's name, property, goodwill, funds, data or other assets for their personal gain or benefit, or for the benefit of others. Employees are expected to protect Company assets from waste, carelessness and theft and ensure that such assets are used for legitimate business purposes only. The use of Company assets for any unlawful or improper purpose is prohibited. Upon termination of employment, all Company records and equipment must be returned in accordance with any applicable contractual terms and the law.

Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation following the procedures in Section N of this Code.

#### Non-disclosure of Records

Klöckner Pentaplast is committed to preventing the misuse of information contained in company records. Inasmuch as current information processing technology and practices permit broad access to information concerning various activities of the Company's operations, employees must use caution to avoid the unauthorized or unnecessary dissemination of critical and proprietary information. Access should be solely on a business-related, need-to-know basis. Customer information in company files is not to be disclosed outside the Company without the Company's and the customer's permission except in response to a subpoena, other legal processes or requests from government investigators or regulatory agencies as approved by the Compliance Officer (see Section M of this Code).

# **Ownership of New Ideas and Products**

Employees, who develop ideas, products or services while employed by Klöckner Pentaplast with the aid of Company resources such as Company materials, information, equipment, technology or facilities, or Company time, do so with the understanding that these items become within the statutory framework set by law the exclusive property of Klöckner Pentaplast and/or its subsidiaries and affiliates.

# Internet, E-mail, Telephone and Voice-mail Usage

The use of Klöckner Pentaplast's IT systems is governed by the applicable IT policies of Klöckner Pentaplast as amended from time to time.

# G. Use of Company Letterhead and Title

Employees may use Klöckner Pentaplast letterhead to write business correspondence only, and not for any personal purpose. Employees must refrain from using letterhead or their position in the company to assert or imply a position on any issue not intimately related to Klöckner Pentaplast's business, and should use extreme caution when expressing any opinion on a controversial matter intimately related to Klöckner Pentaplast's business in order to avoid any damage to Klöckner Pentaplast's image. Employees should contact their manager with any questions on this provision of the Code.

# H. Competition and Fair Dealing

Klöckner Pentaplast will compete vigorously but fairly and in compliance with all applicable antitrust laws and regulations. Antitrust laws generally prohibit agreements or understandings among actual or potential competitors to fix or control prices, fix bids, boycott specified suppliers or customers, or limit the production and sales of product lines. Other laws prohibit controlling the resale pricing of distributors and dealers, disparaging a competitor, misrepresenting the Company's products, stealing trade secrets or offering or paying bribes or kickbacks. These laws are vigorously enforced and failure to comply with them could result in heavy fines to the Company and heavy fines and imprisonment for you.

As a general rule, employees are prohibited from discussing non-public information with competitors and suppliers, including trade association members, such as the following topics: pricing policies, discounts, profits, credit terms, other conditions of the sale and/or purchase of goods or services, geographic areas of operation or sales, production or sales quotas, customer allocations, and bids for jobs or contracts. Questions regarding the propriety of proposed or actual contacts with competitors involving these matters should be addressed to the Compliance Officer named in Section M of this Code.

Stealing proprietary information or otherwise possessing trade secret information obtained without the owner's consent, or inducing disclosures of proprietary information by past or present employees of other companies is prohibited by this

Code and is usually illegal. All of us must respect the rights of and deal fairly with the Company's customers, suppliers and competitors. None of us, in our work for the Company, may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair practice.

# I. Environmental Affairs

Klöckner Pentaplast is committed to full compliance with all applicable environmental laws and regulations. Employee work practices must adhere to such laws and regulations and all Company policies and procedures adopted to achieve this goal. Questions or concerns concerning the applicability of environmental laws or regulations of work practices or proposed actions should be communicated to the Compliance Officer named in Section M of this Code or following the procedure set out in Section N of this Code.

# J. Corruption

The Company's employees, officers, directors, agents and representatives will deal with all of the Company's customers and suppliers, and with government agencies, in a straightforward and aboveboard manner and in strict compliance with the requirements of international anti-bribery conventions and local anti-corruption and bribery laws.

Regardless of home or host country, the Company's employees, officers, directors, agents and representatives are prohibited from giving, offering, paying or promising to pay or authorizing the payment of either money or anything of value (including paying any bribe, kickback or other similar unlawful payment) and from receiving anything of value, directly or indirectly, to or from any government, public official, candidate or political office, or other individual, regardless of nationality, to win or retain business or influence any act or decision of such officials for the Company or to secure any personal gain or other improper advantage for the Company.

Certain nominal payments to public or government officials may be allowable if they are in compliance with local laws, and are in the nature of a facilitating or expediting payment to secure the performance of a routine governmental action. This does not include any decision by a public official to award new business or continue doing business with the Company or others. The factual circumstances of each case, and the applicable laws, which vary from country to country, will determine the legality of such payments. The Company abides by the US Foreign Corrupt Practices Act. In case you are unsure of the legality of such a payment you should contact the Compliance Officer named in Section M of this Code.

In addition, there are strict laws regarding business gratuities that may be offered to or accepted by governmental personnel. The promise, offer or delivery to an official or employee of a government of a gift, favor or other gratuity in violation of these rules may be treated as a crime and would be a violation of Company policy.

All books, records and accounts, domestic and overseas, must accurately and fairly reflect business transactions and dispositions of the Company's assets.

# K. International Business

The Company's policy is to comply with the specific laws and regulations of all countries where it does business, and with all applicable laws affecting international trade, such as anti-boycott, trade sanction, export control and foreign corrupt practices laws. Violations of these laws carry stiff civil and criminal penalties for individuals and the Company, and could cause serious damage not only to the Company's corporate reputation, but also to the public. If you are involved in the Company's foreign operations you should be aware of these laws, and ensure that neither you nor the Company violates any relevant laws.

# L. Waivers or Amendments of the Code of Business Conduct and Ethics; Amendments

This Code of Business Conduct and Ethics has been approved by the Company's relevant Boards of Directors and by the Company's executive management team. Any waiver or amendment of this Code may be made only by the relevant Boards of Directors of the Company and will be promptly disclosed in writing prior to its implementation.

# M. Compliance Procedure

The directors of Klöckner Pentaplast are expected to inform all employees of Klöckner Pentaplast about this Code in a suitable form. Moreover, by means of careful and ongoing monitoring, the directors have to safeguard compliance with the Code and its implementation in the company practice. All employees of Klöckner Pentaplast must know that infringements of this Code will by no means be tolerated and may lead to consequences under service or labor law depending on the severity of the infringement.

Klöckner Pentaplast has appointed a Compliance Officer for supervising compliance with the principles laid down in this Code:

Tom Dowling Klöckner Pentaplast Group 3585 Klöckner Road Gordonsville, VA 22942 U.S.A.

Phone: +1 540 832 9161 Fax: +1 540 832 3200 E-Mail: <u>t.dowling@kpfilms.com</u>

The Compliance Officer is available for any questions or suggestions you might have in respect of the content of this Code and its application.

This Code is not all encompassing, and questions about situations not specifically addressed in it should be addressed to the Compliance Officer.

#### N. kpEthicsHotline

In addition Klöckner Pentaplast has established procedures for: (a) the submission by employees of Klöckner Pentaplast and others, on a confidential basis, of good faith concerns regarding violations of this Code and (b) the receipt, retention and treatment of complaints received by Klöckner Pentaplast regarding violations of this Code.

- 1. Any concerns related to violations of this Code that an employee or other person wishes to discuss or report, should be reported immediately to
  - a. kpEthicsHotline, or
  - b. Klöckner Pentaplast's CEO or CFO (together the "Senior Management"); or
  - c. in the event the violation of this Code involves a member of the Senior Management, the Audit Committee of the Company.

using the contact information specified below.

- 2. Any employee of Klöckner Pentaplast or other person may submit, on a confidential basis if he or she so desires, any good faith concerns regarding violations of this Code.
  - a. An employee or other person may contact Klöckner Pentaplast's "kp*EthicsHotline*" using the toll-free telephone number set forth below or may submit a complaint electronically to Klöckner Pentaplast using the web address listed below.
  - b. Alternatively, such concerns can be set forth in writing and forwarded in a sealed envelope to Klöckner Pentaplast's Senior Management or the Audit Committee of Klöckner Pentaplast in an envelope labeled with a legend such as: "To be opened by the Senior Management or the Audit Committee only. Being submitted pursuant to the Klöckner Pentaplast Code of Business Conduct and Ethics." If an employee or other person would like to discuss the matter being reported with any member of the Senior Management or the Audit Committee, the employee, or such person, should indicate this in the submission and include a telephone number at which he or she might be contacted if the Senior Management or the Audit Committee deems it appropriate.
- 3. Following the receipt of any complaint submitted hereunder, the Senior Management or the Audit Committee will investigate each such matter so reported and, if appropriate, take corrective and disciplinary actions, which may include, alone or in combination, a warning or letter of reprimand, reassignment, demotion, loss of merit increase or termination of employment.
- 4. Following evaluation of relevant evidence the person(s) mentioned in the report will, where possible, be immediately notified and given an opportunity to respond including to oppose the processing of their personal data on legitimate grounds, to access that data and to correct any inaccurate information. Notification to such person(s) may however be delayed in exceptional circumstances, in particular if it is necessary to ensure an effective internal investigation and the protection of evidence.

- 5. The Senior Management or the Audit Committee may enlist employees of Klöckner Pentaplast and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints regarding any violations of this Code. In conducting any investigation, the Senior Management or the Audit Committee will use reasonable efforts to protect the confidentiality of the complainant.
- 6. Klöckner Pentaplast does not permit retaliation of any kind against employees or other persons for complaints submitted hereunder that are made in good faith. Additionally, no employee will be adversely affected or disciplined by the Company because the employee refuses to carry out a directive which, in fact, constitutes corporate fraud, or is a violation of any laws or this Code.
- 7. The Senior Management or the Audit Committee, as the case may be, will keep a written record of all such reports or inquiries. Personal data will be deleted immediately after investigation if the report is unsubstantiated and within 12 months otherwise, unless required for disciplinary or legal purposes. If a disciplinary or judicial procedure is initiated, the data may be retained until the end of the relevant procedure.

# **Contact Information**

#### **Senior Management**

Wayne M. Hewett Chief Executive Officer Klöckner Pentaplast Group Riverview Building 187 Danbury Road, 3<sup>rd</sup> Floor Wilton, CT 06897 U.S.A. E-Mail: w.hewett@kpfilms.com

*R. Brent Jones Chief Financial Officer* Klöckner Pentaplast Group Riverview Building 187 Danbury Road, 3<sup>rd</sup> Floor Wilton, CT 06897 U.S.A. E-mail: <u>b.jones@kpfilms.com</u>

#### **Audit Committee**

Audit Committee Klöckner Pentaplast Group C/O Tom Dowling, Secretary 3585 Klockner Road Gordonsville, VA 22942 E-Mail: t.dowling@kpfilms.com

#### kpEthicsHotline Web Address

http://kp.ethicspoint.com

#### kp*EthicsHotline* Toll-Free Number

Within the United States and Canada dial 877-281-5511.

All other countries, from an outside line dial the AT&T Direct Dial Access<sup>®</sup> for your location. At the prompt dial 877-281-5511. It may take 1-3 minutes to arrange for an interpreter. During this time please do not hang up.

# Argentina

Telecom	0-800-555-4288
Telefonica	0-800-222-1288
ALA Spanish	0-800-288-5288
Australia	
Telstra	1-800-881-011
Optus	1-800-551-155

Brazil	
Brazil	0-800-890-0288
Brazil	0-800-888-8288
China, PRC	
Southern - China Telecom	108-11
Southern - Mandarin Operator	108-10
Northern - Beijing CNCG	108-888
Northern - Mandarin Operator	108-710
Egypt	
Cairo	2510-0200
Outside Cairo	02-2510-0200
Germany	0-800-225-5288
India	000-117
Mexico	
Mexico	01-800 288-2872
Por Cobrar Spanish	01-800-112-2020
Mexico	001-800-462-4240
Spanish Operator	001-800-658-5454
New Zealand	000-911
Portugal	800-800-128
Russia	000-000-120
St. Petersburg	363-2400
Moscow	363-2400
Russia	8^10-800-110-1011
Russia	8^10-800-110-1011
Russia	8^495-363-2400
Russia	8^495-363-2400 8^812-363-2400
Spain Switzerland	900-99-0011
Switzerland	0 000 00 00 11
	0 800 89 00 11
Switzerland Switzerland	0 800 83 84 91 0 800 83 84 92
Switzerland	0 800 83 84 93
Thailand Thailand	4 000 0004 00
	1-800-0001-33
Thailand	001-999-111-11
Turkey	0811-288-0001
United Arab Emirates	0 000 404
United Arab Emirates	0-800-121
US Military Bases	0-800-151
United Arab Emirates	0-800-161
United Kingdom	
British Telecom	0-800-89-0011
C&W	0-500-89-0011