



Code of Conduct  
ALTANA AG  
Bad Homburg v. d. Höhe

## Code of Conduct

### Preamble

The Management Board of ALTANA AG issued corporate policy guidelines in May 2002 specifying the objectives and basic strategy of the ALTANA Group. In addition to these corporate policy guidelines, this Code of Conduct is designed to go into more detail as to conduct requirements of the executive staff and all other employees in the performance of their tasks and responsibilities.

The trust and confidence of our business partners, customers, shareholders, authorities and the public in the responsible conduct of all employees within the Group in accordance with the law is of major importance for the image and success of our company. Executive staff have a model function in this respect, with a high level of social and ethical competence being expected of them. The demands which we place on the actions of people working in our Group correspond with an obligation on the part of the company to inform and assist them accordingly.

These Guidelines specify general conduct principles as well as special behavioural standards in a number of sensitive areas. In view of the fact that responsible conduct in accordance with the law can be taken for granted, this Guideline includes no major new rules but emphasises and illustrates the legal and ethical requirements as to the behaviour of our employees in the performance of their duties and responsibilities. These Guidelines apply to all companies in the ALTANA Group. If rules of conduct are specified for individual divisions or companies in separate guidelines, such guidelines apply without restriction in addition to this Code of Conduct.

### 1. Basic principles

The competence and responsibility of employees are a major prerequisite for ALTANA's success. Responsibility towards other people and the environment, and also fairness and tolerance, are particularly stressed as features of our company in its corporate policy guidelines. These include the following principles:

- lawful and ethical conduct and compliance with legal and cultural framework conditions
- loyalty to ALTANA
- fair, polite and respectful conduct towards employees
- reasonable consideration for the interests of customers and business partners, authorities, the public and the environment
- refraining from any form of sex discrimination or discrimination attributable to an affiliation with a specific race or religion
- responsible and transparent conduct in dealing with risks
- professionalism, fairness and reliability in all external business relationships.

This Code of Conduct cannot comprehensively explain the legal requirements with regard to the conduct of employees. It is expected of each employee that he (or she) requests advice and assistance from his/her superiors or the responsible specialist department in the event of legal doubts regarding his/her own conduct or by reference to legally doubtful occurrences in his/her area of work. Openness and trust are very important – especially in cases which could result in damage to the company.

## 2. Fair competition – no prohibited cartel agreements

Antitrust law is designed to ensure and maintain unrestricted and undistorted competition in the interests of all market participants. Unrestricted competition forms an essential part of the law and order of the market economy and promotes efficiency, innovation and economic development.

Numerous other countries have their own cartel rules and regulations in addition to the regions which traditionally have a marked antitrust legislation such as the USA, the European Union and Germany. These include the following in particular:

- control over company mergers and acquisitions with the aim of preventing the establishment of market dominating positions
- a ban on agreements between competitors on prices, area allocations, customer groups or product volumes
- a ban on retail price maintenance for distribution partners
- a ban on abuse of a market dominant position.

Other agreements which may restrict competition also create antitrust risks. This relates to the following arrangements, for example:

- exclusivity agreements
- tie-in engagements
- non-compete agreements

Agreements or concerted practices which restrict the free movement of goods between member states are viewed particularly critically in the European Union.

Infringement of antitrust prohibitions may be penalised by substantial fines and may result in major additional disadvantages for the company. Contracts dealing with antitrust-related matters must therefore always be carefully monitored from a legal point of view.

Concerted practices, informal discussions and informal gentlemen's agreements which are designed to restrict competition or which actually do restrict competition are prohibited. The very appearance of such conspiratorial actions is to be avoided.

No confidential information may be exchanged on prices and pending price changes or customer/supplier relationships in discussions with competitors. Limited exceptions apply if information is disclosed within the scope of a particular project, e.g. a planned acquisition or the establishment of a joint venture after having concluded a secrecy agreement.

It should also be borne in mind in cartel-related matters that an effect on competition can bring about the application of cartel regulations in a particular country even if neither party to an agreement actually comes from the country in question and if the agreement does not specifically refer to the country.

### **3. Safety and environmental protection**

The avoidance and reliable control of risks for other people and the environment is an essential part of responsible conduct. This applies to every business area of our Group, especially production, storage, product development and product monitoring.

Compliance with safety regulations is absolutely essential regardless of whether they are specified by law, issued by the responsible authorities, or regulated by internal corporate guidelines. Even though one may think that a potential risk can be safely controlled or if the one or the other safety regulation is regarded as onerous, this should never give rise to negligence. Security regulations are to be applied rigorously at all times in your own interest and also in the interests of your colleagues and the company as a whole.

Each employee shares the joint responsibility for his/her working environment. Employees have to be thoroughly instructed, trained and monitored.

Active collaboration and awareness of risks by the employees are also expected. This also applies to risks which may arise as a result of using a product or in combination with another product, for example: Employees should immediately report any risks, whether already identified or only considered as potential, to the responsible department. Appropriate warning notices must be attached in the case of products, if necessary.

Environmentally conscious behaviour is not only an entrepreneurial obligation for us but also an important requirement for maintaining our economic efficiency and competitiveness.

Strict approval requirements normally apply for the erection and operation of chemical plants. Any unauthorised operation, any intentional or tolerated violation of the restrictions specified in a business license or an unapproved discharge of materials into the soil, air or water may result in criminal prosecution of the responsible employees.

Safety must be ensured when handling polluting materials and products, with their transport, loading and off-loading, storage and chemical reactions. If such materials are nonetheless released or if a similar accident occurs, the persons in the company responsible for environmental protection must be notified immediately.

### **4. Corruption and granting advantages**

Our company persuades through prices, performance, quality and suitability of its products and services. No personal advantages may be requested, assumed offered or granted for a preferential treatment in connection with the negotiation, placement or execution of an order. As a rule, no personal advantages may be offered or granted to officials, including officials from foreign states. As a rule, no gifts shall be granted or accepted. Exceptions apply only with generally customary occasional or advertising gifts and with gifts which correspond to custom and politeness in a country.

If an employee is confronted with such an offer or request, he/she must report this to his /her superior immediately.

The guidelines and regulations issued in the individual divisions of the company in respect to relationships with contracting parties must be observed. With regard to the pharmaceutical division, special reference is made to the relevant guidelines on collaboration with the medical profession, hospitals and universities.

Caution is essential if individual measures are proposed in business transactions which could give rise to a tax risk for ALTANA.

## **5. Insider law**

Insider law prohibits the exploitation of insider information in order to achieve direct or indirect personal gain by the purchase or sale of securities and any unauthorized transmission of such information. Insider information refers to facts relating to the issuer of securities which are not generally known and knowledge of which may exert a material influence on the price of such securities which are therefore important for investors when deciding whether or not to buy or sell a particular security. This may, for example, refer to proposed acquisitions, strategic alliances, financial results, new products, problems with products or major contracts.

Employees who possess such insider information on ALTANA or other companies with whom ALTANA is considering a major transaction are not allowed to purchase or sell their shares (or derivatives) and must not transmit this information to third parties. This applies until the information is no longer relevant or until the information becomes public knowledge.

ALTANA determines in connection with its stock option plans so called "block periods" in which options may not be exercised. During these block periods no other transaction with shares of the company and derivatives shall be made.

Prohibited insider business may have serious criminal consequences.

## **6. Discrimination**

All employees have the right to fair, polite and respectful treatment by their superiors, employees and colleagues.

No one may be harassed, discriminated or, without justified reason, placed at a disadvantage on account of his/her race, colour of his/her skin, nationality, political inclinations, age, his/her physical constitution or his/her outward appearance.

Every employee is obliged to respect the personal sphere of other employees. Sexual harassment is prohibited.

## **7. Conflict of interests – private activities**

Each employee must inform his/her superior or the responsible personnel division of any intended acceptance of a position in another company, acceptance of secondary remunerative employment or the intention to undertake active entrepreneurial work. This applies in particular to the acceptance of functions in or for a company which has business relationships with ALTANA or which is or could be in competition with ALTANA.

Conflicts of interest between the business duties of an employee and his personal interests are to be avoided. Conduct in the private sector which may have an adverse effect on the interests of the company should also be avoided.

Private activities in associations, political parties or any other social or political institutions are welcomed by ALTANA but they may not impair the performance of business duties or responsibilities. An employee should not refer to his function in the company in connection with private expressions of opinions in public.

## **8. Protection of company property and business secrets**

Business secrets and other confidential information must be treated in confidence and must be protected from onward transmission to unauthorised persons. Employees who have access to business secrets and confidential information relating to ALTANA or other companies must not pass the aforesaid on to third parties (these also include members of the family and friends), nor should they use the aforesaid for business purposes.

In dealings with electronic information, care should be taken to ensure that computers are protected by issuing and regularly changing passwords.

In the preparation of documents, it should be taken into consideration that any written piece of paper and every data carrier could fall into the hands of a competitor or a judicial opponent in the worst possible case and could then be used against our company. This should be taken into account when drawing up documents – including E-mails.

## **9. Conduct with municipal authorities**

ALTANA desires to maintain co-operative and open relationships with all responsible municipal authorities. It must not be overlooked that certain authorities are also responsible for penalising breaches of the law. Such proceedings are conducted in accordance with specified rules and regulations. These rules also include the right of the person concerned to have legal assistance. Utilising this right and the “right to silence” is not an admission of guilt.

The company lawyers should be consulted immediately in the event of official investigations and Taunus Treuhand GmbH or the responsible tax advisor abroad should be consulted if taxation matters are involved.

## **10. Compliance with the Code of Conduct and appropriate controls**

A copy of this Code of Conduct is being sent to each employee. Management shall include the Code in employee training sessions. It shall also monitor compliance with the Code and execute monitoring programs if this is considered necessary.

Breaches of the law and breaches of this Code of Conduct will not be tolerated. The company will enforce compliance with the aforesaid rules and regulations. Breaches may result in warning notices, with the enforcement of compensation claims or termination of the employment relationship. In cases of doubt, each employee can and must obtain advice from the appropriate departments in the company.

It is not sufficient merely to take note of this Code of Conduct. Each employee is called upon to examine his/her own conduct on the basis of the above yardsticks and to clarify for himself/herself the areas of activity in which improvements can be made.

Bad Homburg v. d. Höhe, September 2002

ALTANA AG

The Management Board