



ARVOS POLICY

CODE OF CONDUCT

MARCH 2017

CODE OF CONDUCT

DEAR COLLEAGUES,

WE AT THE ARVOS GROUP (HEREINAFTER “ARVOS”) ARE COMMITTED TO DOING BUSINESS ONLY IN FULL COMPLIANCE WITH ALL LAWS AND REGULATIONS AND IN LINE WITH HIGH ETHICAL STANDARDS. ONLY A BUSINESS CONDUCT WHICH IS FULLY COMPLIANT WITH ALL LAWS AND REGULATIONS AND HIGH ETHICAL STANDARDS SECURES THE LONG-TERM SUCCESS OF OUR COMPANY AND SERVES BEST SOCIETY.

This Code of Conduct provides the legal and ethical framework for the conduct of all directors, officers and employees of ARVOS (hereinafter “Employees”) and defines the basic rules of conduct within ARVOS and in relation to its business partners and the general public. It also reflects the underlying basic values pursued by ARVOS, including in particular values with respect to employment, work and product safety as well as environmental protection.

The underlying principles and values can be summarized as follows:

- Strictly observe all laws and regulations in each jurisdiction. There are no exceptions.
- Don't compromise your integrity at any time. Don't use your position at ARVOS to gain any advantage for yourself, your family or your friends.
- Don't offer and don't accept any gifts and invitations which might create the impression as if they could influence the recipient's business judgment.
- Don't intentionally mislead anybody. Never try to falsify any records.
- Treat your colleagues fairly and with respect. Any form of discrimination on the basis of an individual's race, color, religion, gender or sexual orientation, age, or disability is unacceptable.
- Every Employee has a role to play in implementing and complying with the Code of Conduct.
- Respect our business relationships. Always treat our customers and suppliers fairly and with respect.
- Work only with reputable business partners.
- Health and safety regulations and procedures are designed to protect you, your colleagues and others. Follow them at all times.
- Respect and protect the environment.
- If in doubt, always ask. If you are unsure about a particular issue, talk to your manager, the Compliance Officer or your HR department.

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ARVOS has established a compliance management system (CMS) to ensure that the operations of ARVOS and the conduct of its Employees are in full compliance with its basic principles and value. The Code of Conduct is a basic element of this CMS.

The Code of Conduct has been issued by the ARVOS Executive Board and the Chief Compliance Officer on March 6, 2015 and is put into force with immediate effect.



Ludger Heuberg



Karsten Stückrath



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1. Basic Behavioral Requirements

Compliance with Laws and Regulations: Each director, officer and employee (“Employee”) of ARVOS and its subsidiaries is responsible to be familiar with, and strictly comply with, the laws and regulations of the legal system within which he/she is operating. Regardless of the sanctions which could be imposed by law, each violation of laws and regulations by an Employee constitutes a violation of his/her employment duties and will entail corresponding legal consequences.

Highest Ethical Standards: Moreover, it is expected that each Employee follows the highest ethical standards in his/her internal cooperation and external business conduct. This includes not only that all internal and external partners are treated with respect, fairness and honesty but also that all human rights, good labor standards and the environmental protection are promoted. Managers are expected to prevent any unacceptable conduct.

Reputation of ARVOS: To a substantial degree, the reputation of ARVOS is determined by the actions of its Employees and by the way each of the Employees presents and conducts himself/herself. Illegal and inappropriate behavior of a single Employee can cause considerable damage to ARVOS. Therefore, it is expected that every Employee behaves in a way which maintains and promotes the good reputation of ARVOS.

2. Anti-Trust Laws

General: ARVOS is committed to conduct its business in line with the principles of fair competition. This includes strict adherence to the anti-trust laws and regulations which strive to protect competition from anti-competitive behavior. ARVOS has therefore enacted an Anti-Trust Policy applicable to all ARVOS Employees.

Horizontal Agreements: No Employee may enter into any agreements or concerted practices between competitors or potential competitors (*horizontal* agreements) which have as their objective or effect the prevention or restriction of competition. Therefore, it is strictly forbidden

- to enter into any agreement with a competitor not to compete, to restrict dealings with suppliers, to divide up customers, markets, territories or production programs, or
- to talk to competitors about prices, output, capacities, sales, bids, profits, profit margins, costs and other parameters that determine or influence ARVOS’s competitive behavior with the aim to solicit parallel behavior from the competitor.

Vertical Agreements: In many jurisdictions like in the European Union and the USA, although with slight differences, many types of *vertical* agreements, i.e. arrangements and agreements between suppliers and customers or patent holders and licensees, are forbidden. These include

- restrictions on the customer’s freedom to set re-sale prices,
- restrictions on the customer’s freedom to set conditions of supply in respect of their business partners (e.g. geographical restrictions and restrictions with respect to customers),
- certain most-favored-customer clauses,
- certain exclusivity clauses (e.g. total requirement clauses) as well as
- Non-competition agreements.

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In many cases it depends on the duration and intensity of the restrictions as well as the market position of the involved companies whether such restrictions are permitted or not. Therefore, Employees are strongly advised to seek legal advice before entering in any such vertical restrictions.

Abuse of a Dominant Market Position: To the extent that ARVOS has a dominant position in a certain market, Employees must be aware that in many jurisdictions like in the EU and the USA, although with slight differences, the abuse of a dominant market position is prohibited. Such abuse can be, for example,

- the different treatment of customers without good cause (ban of discrimination),
- refusal to supply,
- selective supply,
- imposition of inadequate purchase or sales prices and conditions or
- Tie-in arrangements without justification for the additional supply or service demanded.

The definition of a dominant market position as well as the limits within which a certain conduct is still admissible depends on the circumstances of the individual case. Therefore, Employees are strongly advised to seek legal advice if the position of ARVOS could be considered to be dominant and the relevant conduct takes place in this market.

Mergers and Acquisitions: Any acquisition or merger of ARVOS may be subject to the prior approval by relevant anti-trust authorities.

Consequences of Non-Compliance: The violation of anti-trust laws may not only render the relevant agreements to be null and void, but may also lead to substantial fines and damage claims, which may jeopardize the survival of ARVOS. Therefore, ARVOS strictly pursues the principle of “zero tolerance” and is determined to impose disciplinary sanctions on any Employee violating the anti-trust laws (up to and including the dismissal for cause). Moreover, Employees should be aware that they may face personal damage claims and fines, including imprisonment in various jurisdictions.

3. Anti-Corruption Rules

General: ARVOS is committed to the principles of fair competition. This includes, among others, the commitment of ARVOS to compete for business by the quality and price of its products and services, but not by offering improper advantages or benefits to others.

Offering and Granting Advantages to Public Officials: As prohibited by the anti-corruption laws in most jurisdictions, no Employee may, directly or indirectly, offer, promise, grant or authorize the giving of money or any other advantage of value to a public official (or a person closely connected with, or related to, the public official) to influence official action or to obtain an advantage. Moreover, in order to avoid any suspicion, it is not permitted to offer, promise, grant or authorize the giving of any advantage of value to a public official if this may rise only the *impression* as if intended to influence official action or to obtain an advantage.

The term “*public official*” is broadly defined and includes

- any officer, employee or representative of, or any person otherwise acting in an official capacity for or on behalf of, a Governmental Authority (the term “Governmental Authority” includes any national or local governmental institutions; associations, enterprises or companies owned or controlled by governments; and supra-national organizations),

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- any officer of, or individual who holds a position in, a political party or a candidate for political office,
- any person who otherwise exercises a public function or task for or on behalf of any country or public body.

In practice, this can include (but is not limited to) civil servants, inspectors, members of a political party, employees of a state university, judges, customs and immigration officials, ambassadors and embassy staff, and law enforcement personnel.

The term “*advantage*” includes anything of value, including, but not limited to, cash or cash equivalents (like checks, loans, moratoriums, waivers of debt), personal discounts and price reductions not generally available, gifts, invitations to cultural or sportive events, favors, use of facilities, material or equipment, drinks, meals, transportation, lodging, promise of future employment.

Facilitation Payments: A facilitation payment is an unofficial payment (usually, but not necessarily, made to a public official) to encourage the recipient or a third party to perform their existing obligations or role, or expedite or refrain from performing a routine task they are otherwise obligated to do. This can be payments to perform routine tasks such as issuing permits, licenses or other official documents and processing governmental papers (such as visas and work orders). No facilitation payments must be made in any way. This is the case even though they are small and may be expected or are customary.

Offering and Granting Advantages to Persons other than Public Officials: No Employee may, directly or indirectly, offer, promise, grant or authorize the giving of any advantage to any person (such as customers, suppliers or other business partners, or their respective employees or representatives or persons closely connected with, or related to, them) in order to induce or reward for the improper performance of the person’s relevant function, or if the advantage could be construed as an inducement or reward for an improper performance of the person’s relevant function.

The term “*relevant function*” includes any function or activity connected with a business, any activity performed in the course of a person’s employment or any activity performed by or on behalf of a company or enterprise.

Any such function is performed “*improperly*” by a person if the person performs the function in breach of what would be expected from him/her by a reasonable person by reference to any applicable requirements of good faith, impartiality or any position of trust which that person may hold.

Cash and Cash Equivalents; Sexual or Immoral Advantages: Independent of the nominal value, the offering, promise, granting or authorization of advantages consisting of cash or cash equivalents (like checks, loans, moratoriums, waivers of debt) or with a sexual or immoral nature are never permitted.

Offering and Granting Advantages via Third Parties: Employees must not indirectly offer or grant any forbidden advantages to public officials or commercial business partners by involving third parties (such as agents, consultants or other business partners). Moreover, it is not allowed to give any money or anything in value to a third party if the circumstances indicate that the third party may possibly pass on (totally or partially) this money or value to a public official to influence an official action or to obtain an advantage or to a commercial business partner in consideration for an unfair advantage in a business transaction.

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Third Party Representatives of ARVOS: It is essential for ARVOS and its high reputation that third party representatives of ARVOS (such as agents, distributors, consultants and similar persons) fully comply with the relevant anti-corruption rules. Therefore, Employees responsible for the engagement of third party representatives must ensure that the relevant representative will abide by the anti-corruption rules of ARVOS or has implemented and observes comparable rules.

Demanding and Accepting Advantages: No Employee may use his/her job to solicit, demand, accept, obtain or be promised any personal advantages. Only such advantages may be accepted which comply with customary business practices and do not reasonably question the high reputation of ARVOS and the absolute integrity of the Employee. This exception mainly includes the acceptance of occasional gifts of symbolic value or business meals reasonable in value and frequency.

Cash and cash equivalents must never be accepted.

Advantages not in line with the rules must be refused or, if this is not possible, be immediately reported to the relevant supervisor and the Compliance Officer of ARVOS.

If and to the extent that the local regulations on bribery or corruption provide stricter rules than the above general principles, Employees must observe the stricter rules.

4. Political Contributions, Donations and Sponsoring

Political Contributions: Political contributions mean contributions of anything of value to support a political goal. Examples include local, regional or national political fund-raising events, providing goods or services to a political party or candidate for a political office, paying Employees during working hours to work at a political function, or paying for political campaign expenses.

Political contributions by companies are illegal in many countries and exposed to abuse. Therefore, each political contribution by or on behalf of ARVOS requires an explicit prior approval by at least one member of the CEO and the CFO.

No direct or indirect pressure in any form may be directed toward any Employee to make a personal political contribution or to participate in the support of a political party or the political candidacy of any individual.

Donations: Donations are voluntary contributions in money or kind without consideration (i.e. where ARVOS is not paid and does not receive anything tangible in return) to third parties for educational, scientific, environmental, cultural or social purposes.

Each donation must be clear and visibly documented. It must not be made to secure inappropriate competitive advantages for ARVOS or for improper purposes and must not be made to individuals or for-profit organizations. Each donation must be signed off by at least one member of the CEO and the CFO.

Sponsoring: Sponsoring activities mean any contribution in money or in kind by ARVOS towards an event organized by a third party in return for the opportunity to display ARVOS's logo, advertise ARVOS's brands, being mentioned in the opening or closing addresses, or the participation of a speaker on a discussion panel, as well as tickets to the event.

Each sponsoring must be made on the basis of a sponsoring agreement specifying the recipient, the amount of the contribution, the event for which the funds are given and the consideration which ARVOS will receive in return. Each sponsoring contribution must be signed off by the CEO and the CFO.

5. Sanctions, Trade Control Regulations and “Denied” Parties

When doing business all Employees have to observe the restrictions imposed by international sanctions. Sanctions or restrictive measures take the form of economic instruments that seek to modify policies or activities in other countries that breach international law or human rights. In the European Union most important is the Council of the European Union, which is authorized to adopt sanctions or restrictive measures and often implements binding Resolutions of the Security Council of the United Nations. In the US most important are the Department of Treasury (Office of Foreign Assets Control – OFAC), the Department of Commerce (Bureau of Industry and Security – BIS) and the Department of State (Bureau of International Security and Non-proliferation – ISN, Directorate of Defense Trade Controls). The measures implemented by the aforementioned institutions are obligatory and affect all the countries that form part of the organization that adopts them. In case of the European Union, they are obligatory for its 28 member states.

Sanctions include actions to freeze the funds and economic resources of certain people (normally leaders of the country affected by the measures), trade embargoes (oil), restrictions on imports and exports, bans on the purchase and sale of certain products, restrictions on financial services, capital and payment transactions, etc.

While, roughly speaking, sanctions have the target to modify behavior or activities in another country that breaches international law or human rights, trade control laws and regulations primarily intend to protect the security interests of the respective country and to prevent disturbances of the peaceful coexistence of states. Therefore, trade control laws and regulations restrict or prohibit in particular the export (including re-export) of weapons and munitions, including the export of goods, services and technology for or in connection with weapons and munitions (including so-called dual use items¹).

In connection with sanctions and trade control laws and regulations, Employees have to observe also restrictions of dealing with certain parties (persons or companies) which are “denied” (“denied parties”, “restricted parties” or “blacklisted parties”). In particular in connection with combating international terrorism, certain persons and companies have been identified as “denied” or “restricted” and collected by the state agencies in various lists.² Before entering into a transaction with a new business partner and thereafter in regular intervals, it has to be checked whether the respective party is on any of the relevant lists.

Failure to comply with sanctions, trade control laws and regulations and/or restrictions of dealing with “denied” or “restricted” parties can lead to severe penalties for the Company (including the Company becoming blacklisted, which will prevent public organizations and many companies from doing business with the Company). Furthermore, it can include personal liability and imprisonment.

¹ As far as dual-use items are concerned, European companies must in particular observe the Council Regulation (EC) No 428/2009 of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items, and the respective national regulations.

² See for example the Consolidated List of Persons, Groups and Entities subject to EU Financial Sanctions (http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm).

The Company expects that all Employees are familiar with sanctions relevant for their business, the relevant export control laws and regulations as well as lists of “denied” or “restricted” parties. If an Employee has any doubts about doing business with a specific customer or supplier or specific country that is or may be subject to sanctions, he/she should seek legal advice.

6. Conflict of Interest

Best Interest of ARVOS: It is the duty of each Employee to give undivided commercial loyalty to ARVOS and to make business decisions only in the best interest of ARVOS, not based on his/her potential personal benefits.

Avoiding Conflicts of Interest: Each Employee must avoid any conflict of interest, and even any potential appearance of a conflict of interest. In case of a (potential) conflict of interest the relevant Employee must immediately inform his/her supervisor and the HR department thereof and is not permitted to make the relevant decision on behalf of ARVOS, participate in any decision making process or influence others when making the decision.

Competing with ARVOS: During the term of his/her employment no Employee may engage in any activities competing with ARVOS or assist (whether by way of employment, consulting or in any other way) any company or enterprise which directly or indirectly competes with ARVOS. After the term of his/her employment the Employee may compete, unless bound by a post-contractual non-compete obligation, with ARVOS or assist another company or enterprise competing with ARVOS only if and to the extent that he/she does not use any confidential know-how of ARVOS.

Interest of the Employee in Third Parties: Each Employee who directly or indirectly holds or acquires an interest in a customer, supplier of goods or services or other business partner of ARVOS must disclose this fact to the relevant Managing Director, HR department and his/her supervisor, if he/she is directly or indirectly involved in any transactions with the respective customer, supplier or other business partner or if the interest allows him/her to exert any influence on the customer, supplier or other business partner. Furthermore, each Employee who directly or indirectly holds or acquires a stake in a competitor must disclose this fact to the relevant Managing Director, HR department and his/her advisor if this stake gives him/her the opportunity to exert any influence on the management of that company. As a general rule, it can be assumed that a stake exceeding 5% of the competitor’s total capital gives the Employee this opportunity to exert any influence on the management.

Interest of Related Persons in Third Parties: The aforementioned rules pertaining to the holding or acquisition of an interest of an Employee in a customer, supplier, other business partner or competitor also apply by way of an analogy if a person closely related to the Employee (in particular, for example, spouse, brothers and sisters, children, parents) holds or acquires such an interest.

7. Principle of Four Eyes

Internal Principle of Four Eyes: In principle, all agreements (whether in writing, electronic or otherwise) and all declarations and statements which constitute or (may) result in obligations or liabilities of ARVOS or by which any rights of ARVOS are waived require the approval of at least two Employees who are properly authorized (“Principle of Four Eyes”).

External Right to Represent ARVOS: The Principle of Four Eyes also applies if the statement or declaration of only one Employee vis-à-vis a third would legally bind ARVOS. This means: even if an

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agreement requires the signature of only one Employee in order to be legally binding for ARVOS (because this Employee has externally a sole representation right), ARVOS's internal rule requires the signature or approval by a second Employee who is properly authorized. In order to avoid differences between the external right to represent ARVOS and the internal Principle of Four Eyes to the extent possible, Employees should be granted in principle only the external right to jointly represent ARVOS, unless there is a good and well documented reason to grant a sole representation right.

Documentation: The approval by at least two Employees must be well documented. This can be done either on the relevant document itself (such as by personal signature of a written document) or – in particular in case of emails – by other appropriate means (such as by printing the relevant email, signing the print-out and archiving it, or by establishing an appropriate electronic process which ensures in an audit-proof way that the transaction has been approved by at least two Employees who are sufficiently authorized).

Exceptions: As an exception from the Principle of Four Eyes, the (personal or electronic) signature of only one Employee is sufficient for the following transactions:

- internal order of materials or semi-finished products,
- internal order for services,
- approval to lend tools or other equipment.

The management may define further exceptions from the Principle of Four Eyes for routine transactions in the ordinary course of business.

8. Handling of Assets (incl. Mobiles and Computers)

Handling in a Responsible and Diligent Manner: All Employees are required to handle assets of ARVOS in a responsible and diligent manner and to protect them against loss, theft, abuse and access by third parties. Assets include not only real property and other tangible assets (such as machines, tools, computers, copying machines, telephones) but also intangible assets (such as inventions, know-how, trade secrets, copyrights, patents and other intellectual property rights).

Removal from the Premises: Unless explicitly permitted by the relevant supervisor, which permission must be well documented, assets of ARVOS must not be removed from the premises of ARVOS. This also applies to mobiles and portable computers (such as notebooks, tablet PCs).

Use only for Business Purposes of ARVOS: Unless explicitly permitted by the relevant supervisor in each individual case, which permission must be well documented, assets of ARVOS may be used only for pursuing the business of ARVOS, but not for any private or third party business. Mobiles and computers may be used for private purposes only according to the special rules defined by ARVOS. However, in no case may mobiles and computers (as any other assets) of ARVOS be used for harassing, discriminatory or abusive comment or criticism of anyone. In connection with using computers, Employees may not use ARVOS's account or mailbox for private purposes. ARVOS Employees are neither entitled to request separation of private and work-related information and data nor to request deletion of private information and data sent from or to ARVOS's account and/or mailbox.

Computer Programs: Many computer programs are licensed to ARVOS for use by its Employees in conducting the business. Employees must not make any copies of these programs for their personal use nor – due to the generally limited number of licenses – any copies for company use, unless explicitly approved by the IT department. Computer programs may contain viruses or other hazardous elements

which may attack or even destroy ARVOS's IT system. Therefore, no Employee is permitted to install a computer program or other software on ARVOS's IT system unless the IT department has given its explicit prior approval.

9. Confidentiality

Know-how of ARVOS: The commercial and technical know-how of ARVOS is particularly important for the long-term success of ARVOS. Therefore, all know-how of ARVOS which is not publicly known must always be kept confidential and protected against any unauthorized access by third parties. If in pursuing the business interest of ARVOS it becomes necessary to disclose confidential know-how of ARVOS to a third party (for example, a customer or cooperation partner), it must be ensured that the receiving party is bound by appropriate confidentiality obligations.

Know-How of Third Parties: Often confidential information of third parties (for example, customers, suppliers, agents, consultants) has been disclosed or is available to ARVOS and its Employees. All Employees are obliged to keep this information as confidential as the confidential information of ARVOS itself.

10. Data Security and Protection of Personal Data

General: For the operation of its business ARVOS depends on the use of electronic data processing systems and the worldwide exchange of electronic data. These systems and this exchange bear the risks that (i) third parties get unauthorized access to ARVOS's data and cause damage to ARVOS by using, amending or destroying these data and (ii) personal data are misused and the individual privacy is violated.

Data Security: All Employees must ensure by appropriate measures that third parties do not get access to any data (including, but not limited to, electronic data) of ARVOS. These measures include, among others,

- to have the premises protected against any unauthorized access by third parties,
- not to leave any documents containing sensitive data (such as, but not limited to, industrial secrets and business information) unprotected on the workplace when leaving the room,
- not to take any documents containing sensitive data out of the office unless necessary and then only to the extent necessary (for example, for a visit of a customer or for working at home),
- to protect ARVOS's computers against theft and unauthorized access (in particular when travelling),
- to use appropriate passwords, change them in regular intervals and not do disclose them to any third person,
- to have firewalls and a regularly updated anti-virus program installed on the computers,
- not to connect any IT hardware (in particular external hard drives and memory sticks) with ARVOS's computer unless such hardware and its use have been approved by the IT department,
- not to install any software on ARVOS's computers without the prior explicit approval by the IT department,
- not to store any company data on a private computer or any private computer devices (in particular external hard drives or memory sticks).

Furthermore, Employees responsible for data security have to ensure (i) that each Employee has access only to such data which he/she actually requires for the performance of his/her job, (ii) that the access

is limited by appropriate technical measures and (iii) that the restrictions of access are controlled and audited in regular intervals.

Data Protection and Privacy Laws: Many jurisdictions (like the EU and its member states) protect the personal data and privacy of individuals by strict laws and regulations. The term “*personal data*” includes all data relating to an individual (such as name, address, phone number, date of birth, salary, race, religion etc.), whether such individual is an employee, customer or any other person. All Employees are expected to make themselves familiar with, and to abide by, the relevant data protection and privacy laws and regulations.

11. Insider Information

An Employee may get access to so-called inside information during the performance of her/his work. Inside information is any specific information which (i) is not public knowledge, (ii) relates to ARVOS (in case it has issued equity or debt securities) or to any other issuer of securities which are admitted to trading on the stock market or an organized securities market, and (iii) which, if it became publicly known, would likely have a significant effect on the price of the respective securities. Such inside information may be about, for example, significant mergers or acquisitions, divestments, unexpected financial results, new major customers, promising research results, material litigation etc.

Employees having such inside information are not permitted, unless the inside information has become public knowledge,

- to disclose any inside information to any third party (including ARVOS Employees who do not have access to inside information),
- to trade the securities of the relevant company or any financial instruments the price of which depends on these securities (such as options), or
- to advise or induce other persons to trade in the securities or financial instruments.

12. Communication

Appropriate external and internal communication is vital for the success of ARVOS. When communicating, each Employee will be regarded as a representative and ambassador of ARVOS. Care must be taken to communicate at all times in a professional and cautious manner.

When communicating externally (e.g. with customers, suppliers), no business projections and no business or financial data of ARVOS may be disclosed, unless ARVOS has officially published the relevant projections and data.

All Employees are expected to exercise the same care when sending e-mail messages as they would exercise in sending a formal letter. As it is easy to misaddress messages, the recipient’s identification must always be checked before sending the message. It must be kept in mind that e-mail messages can be easily forwarded without the sender’s knowledge to additional recipients – and what may seem humorous to a close friend may sound offensive to another person. Furthermore, it must be kept in mind that electronic information might be required to be disclosed in the event of a subpoena or discovery request, and that in general any deleted electronic information can be re-produced.

All communication to the media (press, radio, TV) shall be done exclusively through, or approved by, the Communication department of ARVOS. Therefore, all Employees shall refer any questions from the media to the Communication department.

All communication to the banks and other investors shall be done exclusively by the CFO of the ARVOS Group. Therefore, all Employees shall refer any questions from the banks or other investors to the CFO.

13. Records and Financial Information

Books and Records: All Employees who create or are otherwise responsible for books and records of ARVOS must make sure that

- the books and records are complete and accurate and fairly reflect each transaction, expenditure, asset or liability of ARVOS,
- the books and records do not contain any false, misleading or other artificial entries,
- all entries are created in a timely manner,
- the entries are in accordance with all applicable accounting rules and standards, and
- all books and records are kept in compliance with all applicable laws, regulations and accounting standards.

Unrecorded or Undisclosed Funds: No Employee may establish or maintain any unrecorded or undisclosed funds or assets of ARVOS.

Disclosure of Financial Data: Financial Data of ARVOS (such as sales, EBITDA, EBIT, profit or loss) to which an Employee may get access during the performance of her/his work must not be discussed with, or disclosed to, any third party (including ARVOS Employees who do not have access to such data), unless the disclosure of the relevant data has been duly authorized in a defined process. The disclosure, co-ordination of disclosure and exceptions to the defined process shall be addressed and agreed with the ARVOS Group CFO.

14. Basic Rules for Making Payments

Kind of Payments: In order to ensure transparency, to the extent possible payments by or on behalf of ARVOS shall be made by wire transfer or check; cash payments shall be avoided to the extent possible.

Payments only to the Party: All payments must be made to the party directly. No Employee shall make any deposits in a special name or to any numbered account or third-party account (even if this is requested by the business partner).

Cash Payments: If a cash payment cannot be avoided, the Employee must document the relevant payment and specify the names of the payer and person having approved the cash payment, the name and address of the recipient, the amount, date and purpose of payment. The documentation must be immediately forwarded to the Finance Department of ARVOS.

Payments to Himself/Herself: No Employee may make, approve or influence any payments of ARVOS to himself/herself or any related person.

15. Money Laundering

ARVOS is committed to conduct business only with reputable customers and other business partners who conduct their business in a lawful manner and whose funds are derived from legitimate sources. Therefore, all Employees must strictly observe the relevant anti-money laundering laws and internal procedures of ARVOS designed to detect and deter suspicious forms of payments. All Employees must report any suspicious behavior by customers or other (prospective) business partners to the Compliance Officer and follow all accounting, record-keeping and financial reporting requirements which are applicable to cash payments and other payments in connection with transactions.

16. Human Rights, Employment and Work Safety

Human Rights: ARVOS respects and supports the protection of internationally proclaimed human rights in line with the United Nations Universal Declaration of Human Rights.

International Labor Organization (ILO): ARVOS supports the principles laid down in the ILO's Declaration on Fundamental Principles and Rights at Work. It supports the work of the ILO in formulating and enforcing international labor and social standards and creating work in conditions of human dignity as a core requirement for combating poverty.

Freedom of Association: ARVOS acknowledges and promotes the freedom of association and the right of workers to collective bargaining within the bounds of prevailing laws and statutes. ARVOS ensures that union representatives are not discriminated against.

Forced Labor: ARVOS does not tolerate any form of forced or compulsory labor.

Human Trafficking: ARVOS does not tolerate or condone or engage in any form of human trafficking or slavery in any part of its global organization.

Child Labor: ARVOS supports the elimination of exploitative child labor. It employs only workers who are at least 15 years, or if a higher age limit applies in the country, then this age limit is complied with. ARVOS accepts only a minimum age of 14 years by way of an exception, if a statutory minimum age of 14 years applies in the country in which the work is being performed. ARVOS commits to complying with the Convention concerning the minimum age for admission to employment (Convention No 138 of the International Labour Organization) as well as the Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labor (Convention No 182 of the International Labour Organization). If a national regulation concerning child labor provides for stricter measures, these shall have precedence.

Equal Employment Opportunities: ARVOS observes all regulations in the relevant countries providing for equal employment opportunities and does not tolerate any illegal discriminatory treatment of its Employees, unless national law expressly provides for selection according to specific criteria. It hires, compensates and promotes Employees on the basis of their qualifications and performance.

Compensation: ARVOS respects the principle of "equal pay for work of equal value".

Discrimination: ARVOS commits, within the scope of prevailing laws and regulations, to opposing all forms of discrimination. This includes that no Employee may discriminate any other Employee or

business partner on the basis of his/her ethnical background, culture, religion, age, disability, race, gender, sexual orientation or world view.³

Abusive Behavior and Harassment: Respect for others is the basis of ARVOS's culture. Therefore, each Employee must strive to ensure that the work environment is respectful and free from any abusive behavior or harassment. Any harassment of any Employee or business partner and any offensive behavior, whether sexual or otherwise personal, are strictly forbidden.

Complaints: An Employee who believes that he or she has been or is being subjected to unlawful discrimination, an abusive behavior or harassment should immediately bring the incident to the attention of his/her supervisor, HR department or the Compliance Officer. Any such complaints will be promptly investigated. If the investigation substantiates the discrimination, abusive behavior or harassment, immediate corrective action will be taken. An Employee complaining in good faith shall not be reprimanded or adversely treated because of having made the complaint.

Work Safety: ARVOS is committed, within the scope of prevailing laws⁴, to provide a safe and healthy working environment. All Employees must constantly be attentive to work safety and conduct the operations in a manner which protects the health and safety of Employees in the workplace. It is the responsibility of management to implement best possible accident prevention measures to ensure that the work environment conforms to the requirements of health-oriented design and to take care that all Employees are sufficiently trained in safety related issues.

Conflict Minerals: ARVOS is committed not to manufacture or to subcontract the manufacturing of any of its products for which conflict minerals as defined in the applicable laws or regulations (e.g. US Conflict Minerals Rule pursuant to the Dodd-Frank Act., EU Conflict Minerals Regulation etc.) are used.

17. Product Safety

It is of utmost importance for ARVOS and its long-term success that ARVOS's products are safe. Therefore, Employees responsible for the development, marketing and/or sale of products must ensure that

- before marketing and selling any new products, possible impacts of the new products on the safety and health of people as well as on the environment are thoroughly investigated and the findings documented,
- new products will be marketed only if it is confirmed that they do not jeopardize the safety and health of people when used according to their purpose or in a foreseeable way and do not have an avoidable negative impact on the environment,
- all products of ARVOS will be continuously monitored with respect to any new findings about their impact on safety, health and environmental matters.

³ See for example the German General Act on Equal Treatment (Allgemeines Gleichbehandlungsgesetz) dated August 14, 2006, the Civil Rights Act of 1964 and the Age Discrimination Act of 1975 (United States).

⁴ See for example German Law on Occupational Health and Safety (Arbeitssicherheitsgesetz), European Directive 2009/104/EC on use of work equipment and the Occupational Safety & Health Act of 1970 (USA) etc.

18. Environmental Protection

The protection of the environment and the conservation of natural resources are high priorities for ARVOS. ARVOS strives to conduct its operations in a manner that is safe for the environment and continually improves environmental performance. All Employees must make themselves familiar with, and must strictly observe all environmental laws and regulations and contribute by their own behavior to the goals of environmental protection and conservation of natural resources which go beyond the requirements of current legislation.

19. Promotion of Best Business Practice among Business Partners

ARVOS will communicate the basic principles of this Code of Conduct to its suppliers and service providers when soliciting their quotations. In particular ARVOS will promote to the best of its ability among its suppliers and service providers and require them in its purchasing terms and conditions to adhere to

- compliance with all applicable laws and regulations (including in particular the basic principles concerning anti-trust laws and regulations as well as anti-corruption/anti-bribery laws and regulations),
- the principles laid down in the United Nations Universal Declaration of Human Rights,
- the principles laid down in the ILO's Declaration on Fundamental Principles and Rights at Work (including in particular the promotion of equal opportunities for and treatment of Employees irrespective of skin color, race, nationality, disabilities, sex or sexual orientation, political or religious conviction, age, as well as the rejection of any form of forbidden child labor and forced labor),
- the responsibility for the health and safety of Employees,
- the principles of environmental protection.

Furthermore, ARVOS will also recommend to its suppliers and service providers to in turn call upon their suppliers and service providers to follow and promote such principles.

20. Questions; Reporting of Non-Compliance; Sanctions

Questions: If an Employee has questions about the Code of Conduct or the relevant laws and regulations or if he/she is not sure in a concrete situation what to do, he/she is encouraged to contact his/her supervisor or the Compliance Officer. If an Employee is unsure whether his/her acting is legal or in line with the Code of Conduct, he/she should follow the principle: *Ask first, act later.*

Reports of Non-Compliance: Employees who know or have good reason to believe that a matter of non-compliance with any laws or regulations, this Code of Conduct or any other internal guidelines has occurred are encouraged to bring this matter to the attention of their supervisor or the Compliance Officer or to report such non-compliance matter via the internet-based ARVOS Whistleblowing System. The report should be made regardless of the position of the person being responsible for the matter of non-compliance. All such reports will be promptly investigated. Corrective measure will be implemented if necessary.

Protection of Reporting Employees: An Employee who reports a matter of non-compliance which he/she knew or had good reason to believe occurred shall not be reprimanded or adversely treated

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because of the making of the report. Upon request, the identity of the Employee who makes the report will be kept confidential, unless otherwise required by law.

Cooperation with authorities: In case an ARVOS Employee is involved in a matter of non-compliance with any laws or regulations ARVOS commits to fully cooperate with the investigating governmental authorities in efforts to eliminate all forms of bribery, fraud, corruption and anti-competitive behavior within the company.

Sanctions: All Employees are personally responsible for ensuring that their conduct and that of those reporting to them fully complies with this Code of Conduct and all applicable ARVOS guidelines. Violations of certain guidelines may have a severe and/or lasting impact on ARVOS's image, business relations and financial situation. Where circumstances warrant, ARVOS may seek civil or criminal prosecution and apply relevant internal measures.

Heidelberg, March 6, 2017



Ludger Heuberg



Karsten Stückrath



David Breckinridge



Matthias Mautner