



## **Code of Conduct**

August 29, 2011

Dear Colleague,

The Recticel Group finds its origins in what is now Belgium in the 18<sup>th</sup> century. Over its long history, our group has operated under different names, and has conducted a very wide range of businesses, all over the world. Since the early nineties, our group focused exclusively on the polyurethane foam business, which it developed into four diverse business lines.

Ultimately, our business is built on people and the way they choose to behave in a given situation. Their choices will determine the trust and the reputation our business will generate. It will determine how customers regard our products, how employees regard our work atmosphere, and how our shareholders regard their investment. While a good reputation takes years to build, it can be lost by poor judgment in a few seconds.

Our reputation determines our success, making it arguably the most valuable asset we possess. It needs to be protected at all times, and each one of us has a responsibility in that regard.

Recticel's image is determined by each one of us acting with integrity at all times. This goes further than building our image and reputation, or avoiding litigation. It is about doing the right thing, acting honestly, and treating all stakeholders fairly and with respect.

Your guidance on this path is the Recticel Code of Conduct. Together with the Business Control Guide, and all related group policies and guidelines, this Code contains the fundamental standards by which we measure ourselves and each other, to ensure we all do the right thing.

We ask you to take this Code, the Business Control Guide and all related group policies and guidelines at heart, to refer to them, to remind them. Follow the e-learning programs put at your disposal. Should you have any questions in this regard, speak up, and ask for guidance.

With everybody's help, we will be able to safeguard and further build up the trust we will need, in order to continue and improve our reputation and business success. We thank you in advance for joining us in this effort.

The commitments made by Recticel herein are public commitments and our Code of Conduct is consequently published on the Recticel website to underline our undertaking towards society as a whole.

Respectfully,

Olivier Chapelle  
Chief Executive Officer

Etienne Davignon  
Chairman

## 1. Introduction

The Recticel Group has implemented an internal Business Control Guide (“BCG”) to establish effective and uniform control procedures. This Guide comprises the corporate policies regarding ethics, safety, health and environment, quality, conflicts of interest, anti-trust, fraud, tax guidelines, treasury guidelines, M&A guidelines, etc.

These policies apply to all Recticel Group directors, corporate officers and employees.

In order to achieve its business objectives, the Recticel Group expects its directors, corporate officers and employees to adhere to the highest standards of business integrity and ethics, and to respect and comply at all times with all applicable national and international laws and regulations.

No director, corporate officer or employee has the right or the authority to request the execution of any action that would violate compliance with such applicable national or international laws and regulations.

This basic principle is neither subject to waiver nor exceptions for competitive or commercial reasons, industry customs or other exigencies or contingencies.

All Recticel Group directors, corporate officers and employees must at all times aim to achieve the highest standards of honesty, objectiveness and diligence in the performance of their respective duties and responsibilities. Respect and loyalty should be inherent in all their actions. Knowingly taking part in any illegal or improper activity shall not be accepted, and shall lead to disciplinary sanctions.

Infringements to the Code, falsification, omission or misrepresentation of facts or figures shall result in disciplinary measures, without prejudice to criminal or civil liability.

If you observe behaviour that concerns you, or that may represent a violation of our Code, raise the issue promptly. Should you feel uncomfortable to talk about it to your superior, then go higher up the chain, or contact the Group’s Legal Department, Compliance Office, or Group Internal Audit, or send your report to [compliance.reporting@recticel.com](mailto:compliance.reporting@recticel.com). We refer you to the Recticel Group Policy for the Reporting of Misconduct and the Protection of Whistleblowers, which you may receive separately, and/or which can be found on RICK.

The Recticel Group values the help of directors, corporate officers and employees who identify potential problems that the Group needs to address. Any retaliation against a director, corporate officer or employee who raises an issue honestly is a violation of this Code. That said, it is likewise a violation of the Code to knowingly make false accusations, lie to investigators, or interfere or refuse to cooperate with an internal compliance investigation.

## **2. What is expected of you**

### **Compliance at all times**

You are required to read and understand the Code, and to comply with the Code and the Law wherever you are. Use your personal good judgment to avoid even the appearance of any improper behaviour.

### **Consider your behaviour and ask for guidance in case of doubt**

Ask yourself:

- Is it consistent with this Code of Conduct ?
- Is it compliant with legislation ?
- Is it ethical ?
- Will it reflect well on me and the Recticel Group ?
- Is it something I would like to be held accountable for ?

If the answer to any one of these questions is “NO”, then don’t do it.

If there would be uncertainty, ask for guidance. The Code of Conduct is a general document that cannot address all situations that directors, corporate officers and employees will encounter. Further information and guidelines can be found in the Business Control Guide, and related corporate policies and guidelines.

You can also seek help from any of the following :

- Your management;
- Group Legal department, Compliance Office;
- Group Internal Audit.

Or you can use the Recticel Reporting Line,

**E-mail :** [compliance.reporting@recticel.com](mailto:compliance.reporting@recticel.com)

**Fax number :** **+32 (0)9 368 76 14**

### **3. Fair competition and abidance by anti-trust laws**

The level playing field and fairness principles apply to competition for market share and profitability. Recticel supports these principles and expects its employees, corporate officers, directors, agents, etc. to abide by them.

Anti-trust laws are meant to protect and implement fair competition principles; they apply in all the countries where Recticel operates; in fact, most often, these laws regulate the behaviours of the undertakings incorporated in the territory where the laws are enacted, and they may apply as well to undertakings incorporated in another country, but having made an arrangement whose effects are felt in the territory where the law is enacted.

Prohibited behaviours are not dependent on their success: a suspicious conduct may be characterized as prohibited collusion between competitors even if one or more of the participants does not abide by the agreement, or if it is never put into practice.

Anti-trust evaluation can be difficult; the rules will differ from country to country (though in EU countries and USA, the base principles are very similar) and from case to case. It is therefore recommended to take and follow advise from Recticel's Legal Department before engaging in any dealing with competitors, suppliers or contractors, which may involve, directly or indirectly, prices, customers, suppliers, marketing, production, matters.

Similarly, participation to Trade Association of any nature should be cleared in advance with Business Line management and Recticel's Legal Department. Reference is made to the specific Trade Association Policy annexed to the BCG.

Although there might be nuances from country to country, illegal anti-trust activities include:

- Arrangements between competitors that have, or are intended to have, the effect of fixing, stabilising or raising prices, or profit margins, including arrangements on price initiatives, targets, ranges and recommendation, as well as on payment conditions, guarantees, rebates, method of distribution and any other sale condition which bear a competitive element;
- Arrangements between competitors not to compete for certain customers or in certain geographic areas, or to allocate markets, by products, clients or regions.
- Arrangements between competitors in relation to bid requests;
- Arrangements between competitors regarding limitation or allocation of production;
- Arrangements between competitors about boycott of suppliers;
- Arrangements with independent resellers or dealers to fix a minimum resale price of a certain product, or restricting the export or import of goods supplied by a Recticel Group affiliate.

### **4. Bribery and corruption, gifts**

A bribe is a benefit, financial or otherwise, given or offered to a person in view of, or, that has the effect of, causing that person to breach legal or contractual duties he or she owes to another.

Recticel forbids any of directors, corporate officers, employees or agents to offer or accept bribes; Recticel expects all its business partners, including joint ventures, contractors, customers and

suppliers, to concur with Recticel's anti-bribery policy. The creation of a business relation with any third party, will be based on a prior compliance check.

No Recticel director, corporate officer or employee may directly or indirectly offer or give bribes to government official, (including candidates to public office, political parties employees or members) or private undertakings employee or official.

Further more, payments or advantages of any sort to agents, consultants, go-between, business facilitators,... are equally forbidden, if there are reasons to believe that such payments or advantages, totally or in part, may be passed on to government officials or private undertakings employees or officials.

Facilitating payments, i.e. payments made to ensure that legitimate actions or activities take place in the normal course of lawful business, are forbidden as well, except insofar as they may be specifically authorised by a written local regulation. Such may include payments for obtaining permits, licences or other official documents, payment for processing governmental papers, such as visas and work orders, payments for obtaining police protection, etc.

Reasonable gifts or gratuities, consistent with local laws and regulations and generally accepted business practices shall be allowed, provided they are properly recorded in the Recticel Group's books and records.

## **5. Conflicts of interest**

Conflicts of interest arise when directors, corporate officers or employees engage in activities or promote personal interests at the expense of Recticel's interests.

Situations or circumstances that may lead to conflicts of interest must be reported to Recticel's management, to the Group's Legal Department, Group Internal Audit, or through the Recticel Compliance Reporting line, as soon as they are identified, by the person concerned with the potential conflict of interest or by any other employee.

Many situations may create a conflict of interest, or the appearance of one, it is therefore expected that all of them will be reported and evaluated on its own merits.

Conflicts may take the form of a business relationship with, or an active (as opposed to passive financial participation) interest in a competitor, contractor, supplier, customer, credit provider, of Recticel, or participation in sideline activities. Such participation should be disclosed to their supervisor as soon as it exists.

Corporate officers or employees wanting to engage in other work for remuneration, outside of the working hours devoted to Recticel, should inform, and/or seek written permission for doing so from, their supervisors and the Human Resources department they depend from.

In order to avoid conflicts of interest, directors, corporate officers and employees must undertake not to develop, either directly or indirectly, during the term of his or her mandate or employment, any activities nor perform any actions that conflict with the activities of the Recticel Group.

In this respect, directors, corporate officers and employees must abstain from the following actions:

- Start-up or enter into activities that compete with the activities of the Recticel Group;
- Attempting to encourage directors, corporate officers or employees of Recticel or its affiliates to terminate their relationship with Recticel or its affiliates, if contrary to the legitimate interests of the Recticel Group;
- Attempting to encourage a buyer, customer, supplier, agent, franchise, network supplier or any other contracting party to terminate a relationship with Recticel or its subsidiaries or to change the terms of any such relationship in a way that is detrimental to the Recticel Group.

Related party transactions are transactions between the Company or any of its affiliates on one side and any director, corporate officer or employee of the Group, any close relative (being someone that could have a decisive influence on the director, corporate officer, or employee such as the partner, children, parents, close friends, etc.) of a director, corporate officer or employee, and/or any legal entity in which a substantial interest in the voting power is owned, directly or indirectly by one of the above mentioned persons, or that have a member of the board of directors in common.

Related party transactions shall at all times be conducted at arm's length. It is the responsibility of each director, corporate officer or employee to promptly notify the Group General Secretary or the Group Company Secretary of any proposed related party transaction as soon as such director, officer or employee becomes aware of it, and regardless of whether the director, officer or employee is involved in it.

## **6. Protection of Recticel's assets**

### **6.1. Records**

Directors, corporate officers and employees will ensure that all their reporting duties are discharged timely, accurately, in a truthful and complete manner. This applies equally to internal reporting and communication, as well as to external communication and reporting, with business partners, investors, shareholders, and public authorities.

In order to ensure the integrity, accuracy and reliability of the Recticel Group's books and financial statements, no transaction shall be entered into with the intention of it being documented or recorded in a deceptive manner. No false or artificial documentation or entry shall be made for any transaction.

All funds, assets and transactions must be disclosed and recorded in the appropriate books in accordance with all national and international laws and regulations.

### **6.2. Use of assets**

Assets include buildings, equipment and machinery, tools, communication facilities, accounts, computer programs, protected and unprotected technology, trade secrets, intellectual property, in general any tangible or intangible property of Recticel.

Recticel's assets may only be used for the business purposes of the Company. Directors, corporate officers and employees should use their best efforts for safeguarding and using Recticel's assets appropriately, and in accordance with instructions received from their supervisors.

Recticel directors, corporate officers and employees must protect and maintain intellectual property (trademarks, patents, know-how, designs, copyright) as foreseen in the Group IP Policy and, for inventions and know-how, in the Patent Quality Management ("PQM") program. It is mandatory to involve the Intellectual Property Office of the Legal Department and/or of the International Development Center for availability/prior art searches, applications/registrations, agreements, disputes/litigation and review of IP references in all publications (annual report, advertising, public announcements, banners, etc.).

Directors, corporate officers and employees will maintain strict confidentiality regarding all Recticel technology, intellectual property, trade secrets, reporting figures, commercial information, industrial matters, research and development projects and programs. The confidentiality obligation extends beyond the end of the contractual relationship.

Communication devices, office equipment and company cars may be used for personal purposes in accordance with general local as well as Recticel's internal regulations, provided it does not relate to any illegal activity, cause actual or perceived conflicts of interest, or creates damage or supplementary costs to Recticel. The use of social media (Facebook, Twitter, etc.) is permitted only if in line with internal guidelines.

## **7. Interaction with investors, media and others**

Directors, corporate officers and employees must refrain from independently contacting investors, analysts or journalists regarding issues concerning the Recticel Group. This belongs to the exclusive responsibilities of the Managing Director, the Chief Financial Officer and the Corporate Communications department. Discretion is the key obligation in this regard.

Furthermore, directors, corporate officers and employees are requested to support, in private and in public, the position of the Recticel Group regarding strategy, policies and actions.

Relationships with customers, suppliers, competitors, employees and governmental authorities and officials must always be based on compliance with all applicable national and international laws.

All Recticel shareholders will be treated equally. Timely, regular and reliable information on our financial performance, business risks and returns is equally available to each shareholder, in line with prevailing legislation.

The Recticel Group encourages personal participation in the political process in a manner consistent with all relevant legislation and corporate guidelines. Your political views or your choice in personal political contributions will not affect your job within the Recticel Group.

However, it is expressly forbidden to use the Recticel Group's reputation or assets, including your time at work, to further your own political activities or interests. If you plan to seek or accept a public office, you must inform Business Line management and the Group's legal department beforehand.

Political contributions made by the Recticel Group must be made in accordance with local legislation, must be approved beforehand in accordance with the Business Control Guide and must be properly recorded.



## **8. Safety, Health And Environment policy**

The Recticel Group commits to conduct its business in a manner protecting the safety and the health of the general public, of its customers and of its workers, whether employees or contractors. It is therefore Recticel's policy to devote adequate resources to identify and remedy to health risks associated with its operations, pursuant to applicable laws and regulations.

Recticel commits as well to protect the environment in its operations and while developing products and technology, as required by applicable laws and regulations.

Recticel will endeavour to check that its contractors and business partners apply similar standards in the conduct of their activities for or with Recticel.

## **9. Employees**

Recticel's policy regarding employment matters imposes that all decisions related thereto are based on objectively relevant factors such as qualifications, merit, performance, dedication, compliance to rules as set out in this Code and Recticel's Business Control Guide, etc.

Discrimination based on personal factors such as age, race, colour, religion, mother tongue, gender, sexual orientation, nationality, is forbidden.

Recticel will provide timely and adequate information to its employees and foster an open and constructive dialogue.

Recticel recognizes the right of any employee to join or to refrain from joining a trade union. Recticel encourages communication with its employees and their representatives.

Recticel will comply with the laws and the collective labor agreements in all countries in which it operates. When the applicable law, the collective labor agreements and the Recticel Code of Conduct specify diverging standards, the most stringent regulation will be applied.

Recticel supports the United Nations Universal Declaration of Human Rights and the conventions and the recommendations of its International Labour Organisation.

## **10. Harassment**

Recticel believes that harassment can't be tolerated and expects from all its directors, corporate officers and employees to behave in an appropriate manner. No conduct or behaviour, no verbal or written communication, internal or external, vis à vis fellow directors, corporate officers, employees, contractors, customers, suppliers, business partners' personnel or representatives, which would be humiliating, intimidating, hostile, or inappropriate will be accepted by the Recticel Group and will lead, as the case may be, to disciplinary sanctions.

## **11. Insider trading**

Recticel directors, corporate officers or employees may during the execution of their duties acquire information that is not known to the investing public concerning Recticel, its subsidiaries, or even other companies.

Such information may relate to plans, new products or processes, mergers & acquisitions, investments or divestments, financial results, ongoing negotiations, litigation, calamities, etc.

It is important to understand that any individual working for the Recticel Group may acquire inside information and hence be subject to the following restrictions.

If the inside information is material, meaning that a reasonable investor would consider the information important in reaching an investment decision, then the director, corporate officer or employee should refrain from buying or selling Recticel securities, nor provide the inside information to others, nor advise or encourage others to purchase or sell Recticel securities.

Furthermore, Recticel directors, corporate officers and employees should not buy or sell securities of other companies about which they acquire material non-public information, obtained during their Recticel work or otherwise, nor provide such information to others, until it becomes public. Tipping likewise is forbidden.

More detailed information on the subject can be found in the Recticel Group Insider Trading Policy.

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