



compliance



culture

## CODE OF CONDUCT



COMPLIANCE ETHICS

## Dear Fellow Employee,

The long-term success of your business depends on many factors, but none is more important than your commitment to our core values and MBM® Guiding Principles. It is your responsibility to know and live by these Principles.

Principle 1 stresses the need to conduct all affairs lawfully and with integrity. Principle 2 takes this concept even further. It calls for 10,000 percent compliance, with 100 percent of employees fully complying 100 percent of the time. Stop, think and ask.

Maintaining integrity and compliance is the necessary condition for long-term business survival and success. Only by satisfying this condition will we be able to create – and share in – real, long-term value.

This Code of Conduct is an important tool to help you meet the need for compliance and ethical decision-making. It answers many commonly asked questions and tells you how to find even more information and help.

Our goal is to go beyond systems and processes such that each of us takes ownership of our Principles and actively applies MBM®.

Doing so requires a true challenge culture. By that, I mean you must be willing to speak up about any behavior that might violate our Principles – even if it involves your supervisor. We all must also be open to challenges about everything we do, so that we always create the conditions for innovation.

Regardless of your role or experience, it is critical that you live by our Principles, always obeying the law and acting with integrity. You owe it to your family, your community, your business, your customers, your co-workers and yourself. Our future depends on it.

Charles Koch  
Chairman of the Board and CEO  
Koch Industries, Inc.



## Our MBM® Guiding Principles

The key to the Company's future is a firm commitment by all employees to our MBM® Guiding Principles. These Guiding Principles are the basis of a culture that enables superior performance in all aspects of our business. They remind us that it is not just a matter of doing what is required by law – we must do the right thing, every time, all the time.

**Integrity** - Conduct all affairs lawfully and with integrity.

**Compliance** - Strive for 10,000% compliance, with 100% of employees fully complying 100% of the time. Ensure excellence in environmental, safety, and all other areas of compliance. Stop, think and ask.

**Value Creation** - Create real, long-term value by the economic means. Understand, develop and apply MBM® to achieve superior results. Eliminate waste.

**Principled Entrepreneurship™** - Demonstrate the sense of urgency, discipline, accountability, judgment, initiative, economic and critical thinking skills, and risk-taking mentality necessary to generate the greatest contribution to the company and society.

**Customer Focus** - Understand and develop relationships with customers to profitably anticipate and satisfy their needs.

**Knowledge** - Seek and use the best knowledge and proactively share your knowledge while embracing a challenge process. Measure profitability wherever practical.

**Change** - Embrace change. Envision what could be, challenge the status quo and drive creative destruction.

**Humility** - Practice humility and intellectual honesty. Constantly seek to understand and constructively deal with reality to create real value and achieve personal improvement.

**Respect** - Treat others with dignity, respect, honesty, and sensitivity. Appreciate the value of diversity. Encourage and practice teamwork.

**Fulfillment** – Produce results that create value to realize your full potential and find fulfillment in your work.

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# INTRODUCTION

Our company is committed to conducting all affairs lawfully and with integrity. This commitment extends throughout our global organization, no matter where in the world we do business. Our employees have a responsibility and are expected to hold themselves to the highest legal and ethical standards, even if that means the loss of a business opportunity. This commitment to integrity and lawfulness requires not only compliance with the law, but also requires all of us to act according to our MBM® Guiding Principles.

“Our MBM® Guiding Principles articulate our rules of just conduct along with our shared values and beliefs. Enforcing general principles enables employees to challenge the particulars.”

– *Charles Koch*

This Code of Conduct (Code) is an important part of our company’s overall compliance and ethics program. It is designed to be a tool to help us apply Market-Based Management® and our MBM® Guiding Principles in our daily business activities. This document, however, cannot cover every possible situation, nor can it specifically address all of the applicable laws or cultural differences at each of our locations. We expect and welcome questions about this Code, its interpretation, or the law.

All employees, directors and officers are expected to be familiar with this Code and adhere to it. Except where the applicable provisions of this code are superseded by local laws or legal obligations, an employee who violates this code may be subject to disciplinary action, up to and including termination of employment, as well as civil and/or criminal charges.

This version of the Code supersedes all prior versions. It is an expectation of employment with the company that you are familiar with this updated code.

## Compliance Policy

INVISTA policy requires any director, officer, employee, agent, or other representative of INVISTA to:

Act in full accordance with applicable laws of every location in which we do business.

Act ethically in all affairs and avoid any business activity that might have the appearance of being illegal or unethical.

## How the Code Applies

This Code is intended to be consistent with all applicable laws and legal obligations, including those under collective bargaining (trade union) agreements. In the event of any inconsistency between this Code and any applicable law or collective bargaining agreement provision, we will comply first with the law or agreement.

For business locations outside of the United States, we will adhere to U.S. laws that have extraterritorial application and all laws of the host country. If you believe there are any inconsistencies between the Code and the laws of any host country, consult the legal department.

In addition to this Code, it is your responsibility to seek further information regarding the laws, standards, policies, procedures, practices and guidelines that may be applicable to your role.

This Code does not constitute a contract of employment or an assurance of continued employment for any individual.

## Responsibilities as Employees

Our company measures itself not only by the results we achieve but also by how we achieve them. Every decision we make and action we take must reflect a commitment to the highest legal and ethical standards. This Code is designed to help us make decisions and to understand when we should seek more information so we can do the right thing.

You are never authorized to act illegally or unethically, even when doing so may seem to be in the best interest of the company or if a supervisor or any other employee has directed you to do so.

Every employee has the responsibility to:

Always act in accordance with applicable laws, this Code, our MBM® Guiding Principles and other INVISTA policies, standards, procedures, practices and guidelines.

Learn the details of INVISTA policies and standards that apply to your role. No one is expected to know every policy or standard word for word, but you should understand the issues covered by policies and standards.

Seek assistance from supervisors, the legal department, human resources, compliance and ethics, or other resources when you have questions about application of the policies or standards.

Promptly report possible violations of a law, company policy, or standard or any request to violate a law, company policy, or standard.

Promptly report any issue that you believe has not been appropriately resolved, even if it means raising it with another available resource.

Cooperate completely with company investigations of possible violations.

**INVISTA's company policy prohibits retaliation against anyone who, in good faith, reports or supplies information about a possible violation or concern.**

## Responsibilities as Leaders

Leaders have additional responsibilities to:

Lead by example and behave as a model for all employees.

Provide education and tools that promote employee understanding and compliance.

Create an ethical culture that promotes compliance, encourages employees to raise their questions and concerns, and prohibits retaliation.

Promptly address employee concerns of wrongdoing.

Evaluate and, as appropriate, recognize and reward employees who adhere to and promote legal compliance and ethical behavior.

# ASKING QUESTIONS, RAISING CONCERNS AND GETTING GUIDANCE

No Retaliation Policy

Internal Investigation  
of Reports

Corrective Action and  
Employee Discipline

Making Ethical Decisions

Compliance Guidance

Audit and Assurance

The challenge process “depends on a willingness to respectfully engage in open, honest and objective debate, to challenge the status quo and to consider humbly any challenges to our own beliefs, proposals and actions. This applies just as much to challengers as to those being challenged.

Challengers need to participate with intellectual honesty in the spirit of constructive improvement, rather than opposing something because it was ‘not invented here.’”

– *Charles Koch*

# ASKING QUESTIONS, RAISING CONCERNS AND GETTING GUIDANCE

**We have a clear responsibility to ask questions and raise concerns about compliance or ethical behavior. When you know of, or suspect, a possible violation, you have a responsibility to report, in good faith, that information to your supervisor. If, for any reason, you feel uncomfortable reporting issues to your supervisor, or if you believe your supervisor has not appropriately addressed an issue, you have other options. If you are uncertain whether your own conduct is proper, ask for help from any of the options available to you.**

## Options for Asking Questions, Raising Concerns and Getting Guidance

- Your immediate supervisor
- Any member of management
- Any local or corporate human resources leader
- Any compliance and ethics representative
- Any lawyer in the legal department
- Call the **GuideLine** or visit **www.ethicspoint.com**

*For a global listing of GuideLine numbers, please see the "GuideLine" tab located at the end of the Code.*

The GuideLine is answered confidentially by independent third-party communication specialists. It is available 24 hours a day, 7 days a week, to respond to your questions and concerns (anonymously, if you choose). It also offers multi-lingual services. The GuideLine specialists notify the compliance and ethics office, which will assess and determine appropriate action.

INVISTA's GuideLine appropriately addresses the use, retention, transfer, disclosure and protection of any personal information contained within, including responsible and lawful collection and disposal.

### Question

**Does management really expect adherence to the Code of Conduct if that would mean losing business or reducing profitability?**

### Answer

**Yes. Compliance always takes precedence over profitability. That is why integrity and compliance are the first two MBM® Guiding Principles.**

## Question

What should I do if my supervisor asks me to do something that I think violates the Code of Conduct or a company policy, or may be illegal?

## Answer

Regardless of who asks, you must never do anything illegal. If you believe something you have been asked to do violates the Code of Conduct or a company policy, you must “stop, think and ask”, before you act. If your concern is not appropriately addressed, you must report your concern to one of the options available to you.

## Question

Will I get into trouble if I call the GuideLine or inform management about an ethics issue and I turn out to be wrong?

## Answer

No. As long as you honestly have a good-faith concern, our policy prohibits you from being reprimanded or disciplined for simply raising your concern. Retaliation in any form is a violation of our policy. We encourage you to voice concerns and questions about compliance and ethics issues using the many options available to you.

All employees should practice respect and integrity at all times, whether they are reporting someone else or they are the subject of a report themselves. If you feel you are being retaliated against, contact one of the options available to you.

## No Retaliation Policy

Anyone who reports, in good faith, a suspected violation of the company’s legal or ethical responsibilities, or who asks questions regarding these responsibilities, should not be subject to embarrassment or retaliation.

“Good faith” does not mean that a reported concern must be correct, but it does require that you believe you are providing complete and truthful information when you report a concern or ask a question.

**Retaliation, retribution or harassment against any employee who, in good faith, asks any question or raises any concern regarding ethical behavior or compliance responsibilities is against company policy and is prohibited.**

## Internal Investigation of Reports

The company is committed to identifying and correcting wrongdoing wherever it may occur. All reported concerns will be promptly assessed, and a determination will be made regarding the appropriate level of investigation and response. All employees are expected to cooperate fully with investigative efforts. This includes always giving truthful, accurate and complete answers, even if those answers are uncomfortable or create more questions. Investigations must be conducted by a resource that is not involved in the concern. To the extent possible, confidentiality will be maintained consistent with our legal and ethical responsibilities.

## Corrective Action and Employee Discipline

If an internal investigation substantiates a violation, corrective action will be implemented. This may include making changes to our compliance management systems to prevent a similar violation in the future, notifying the appropriate government agency, and/or instituting disciplinary action.

Any employee who violates the law, the Code of Conduct, or other company policies or standards will be subject to appropriate disciplinary action, up to and including termination, consistent with any applicable law, employment contract or bargaining agreement. The specific disciplinary action will depend on a number of factors, including:

The nature, severity and frequency of the violation.

The degree of knowledge and responsibility regarding the violation and the effect of the behavior on others, both inside of and outside of the company.

An employee's degree of direct involvement.

An employee's voluntary self-reporting of a violation and acceptance of their responsibility.

An employee's history, including performance related factors.

## Making Ethical Decisions

It is not always easy to determine the ethical or right thing to do in a particular business or work situation. Sometimes a law or policy clearly dictates the outcome, but often a situation will require interpretation to decide a fair and reasonable course of action.

**Remember, you do not have to make a difficult decision alone. There are resources available to you to assist in resolving issues. You can ask your supervisor, any member of management, your human resources leader, the legal department, or the compliance and ethics office.**

### Question

**I reported an ethics issue, and a short time after reporting the issue, I was reassigned to a new work area. I think I am being retaliated against. What should I do?**

### Answer

**If you think you are being retaliated against, you must report it to your supervisor or one of the other reporting options available to you.**

## Question

How do I know when I need to get help?

## Answer

Remember to “stop, think and ask.” Consider the following: are your actions making you feel uneasy? are you doing something you have not done in some time? is your information correct and current? are you rationalizing your actions? are you saying to yourself “everybody does it?” how would your actions be perceived by others?

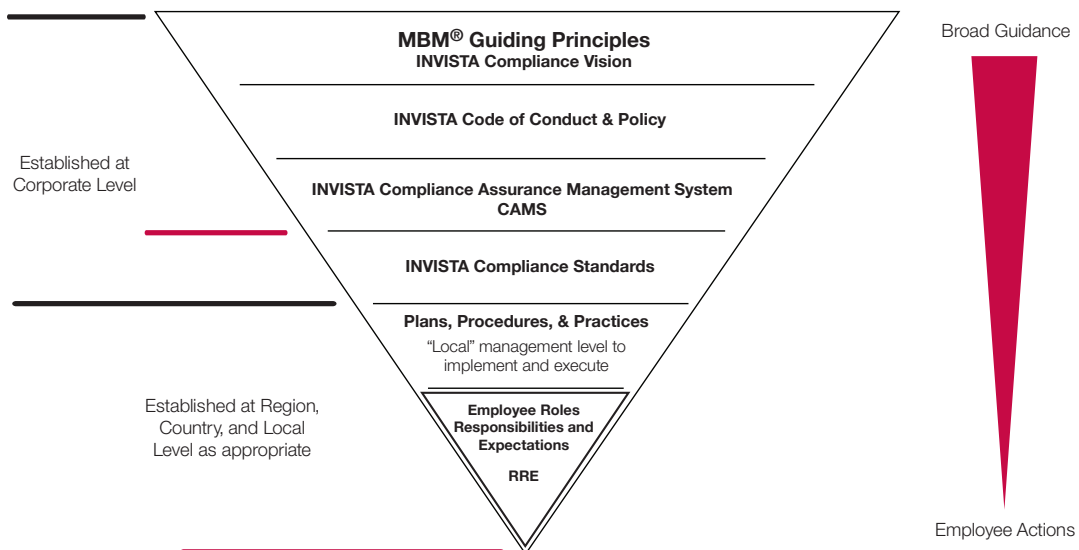
Any discomfort should cause you to stop, step back, consider what you are doing, get advice, and if appropriate, redirect your actions so you are sure that you are doing the right thing.

## Compliance Guidance

The company has a Compliance Assurance Management System (CAMS) to help ensure that business activities are conducted lawfully and with integrity. This program addresses the following elements:

- Leadership commitment
- Employee ownership
- Risk assessment
- Compliance management and controls
- Training
- Change management
- Continuous improvement

The company provides you guidance to manage compliance and ethics with a hierarchy of increasingly specific tools and systems as this illustration shows.



This hierarchy begins with our **MBM® Guiding Principles** which state our expectations for ethical behavior and compliance, and then builds additional detail to provide guidance and definition of requirements that enable each individual employee to fulfill these expectations. The remaining hierarchy consists of the following components:

### **INVISTA Code of Conduct and Policy**

The INVISTA Code of Conduct is a tool to help explain our legal and ethical expectations. The Code also describes various company policies applicable globally at INVISTA.

### **INVISTA Compliance Assurance Management System (CAMS)**

CAMS provides a framework that enables us to fulfill our compliance expectations. CAMS includes seven elements designed to ensure ownership and accountability of compliance and ethics performance and to demonstrate a sustainable and effective program.

### **INVISTA Compliance Standards**

INVISTA Compliance Standards define requirements for specific areas of compliance. Compliance Standards are prepared and implemented as appropriate to manage compliance risk as assessed per CAMS.

### **Plans, Procedures, and Practices**

Many subjects require further guidance or clarification specific to a geographic region, country, facility or functional area. Plans, procedures, and practices are developed and managed at the region, country, facility or functional level and may be managed in a variety of ways to meet local needs.

### **Employee Roles, Responsibilities, and Expectations (RREs)**

All of these levels of guidance are to assist each employee to better understand their compliance responsibilities and expectations that apply to his or her specific role.

## Audit and Assurance

INVISTA is committed to assuring proactive compliance with the law, our MBM® Guiding Principles, the Code of Conduct, and company policies and standards. We will conduct audits and assessments to verify compliance and identify opportunities for improvement. All of us must fully cooperate with audit activities and take appropriate corrective action. We are expected to give truthful, accurate and complete answers, even if those answers make us feel uncomfortable or create more questions.

# RESPECT FOR OTHERS

# 2

Non-discrimination  
Prohibited Harassment  
Expectations of Employees  
Prohibited Substances  
Workplace Non-violence  
Prohibition of Weapons  
Searches  
Employee Privacy  
and Data Protection

“Virtue without the required talent does not create value. But talent without virtue is dangerous and can put the company and other employees at risk. Employees with insufficient virtue have done far more damage to companies than those with insufficient talent.”

– *Charles Koch*

# RESPECT FOR OTHERS

**Our success requires us to utilize everyone's skills and knowledge to the fullest, without unlawful discrimination or harassment. Consistent with our MBM® Guiding Principles, we are committed to providing a respectful workplace where all are treated with dignity, respect, honesty and sensitivity. To deny someone's contribution to the company because of unlawful discrimination or harassment would be an injustice not only to the individual, but to the company as well and will not be tolerated.**

**In some countries where we operate, local law establishes specific requirements for policies that prohibit discrimination and harassment. Contact your local human resources leader with any questions regarding specific policies that apply to you.**

## Non-discrimination

Consistent with our Guiding Principles, it is good business and sound philosophy to recognize and encourage employees with fairness, impartiality, awareness and sensitivity. We will grant equal opportunity in all aspects of employment to all persons without unlawful discrimination.

### ***Unlawful discrimination will not be tolerated.***

INVISTA prohibits unlawful discrimination on any protected basis under applicable law, including, but not limited to color, race, religion, gender, sexual orientation, national origin, ethnicity, age, disability, pregnancy, veteran status or other legally protected factors.

If you feel you have been discriminated against, have observed unlawful discrimination or have knowledge that a co-worker has been discriminated against, you must contact any of the following: your immediate supervisor, the manager of the facility, the local human resources leader, the corporate human resources department, the legal department, the compliance and ethics office or the GuideLine.

## Prohibited Harassment

### *Unlawful harassment will not be tolerated.*

INVISTA is committed to providing a work environment free of unlawful harassment. We prohibit and will not tolerate any oral or other conduct that is offensive, intimidating or disparaging to any individual or group based on color, race, religion, gender, sexual orientation, national origin, ethnicity, age, disability, pregnancy, veteran status or other legally protected factor, including any behavior that contributes to an intimidating, hostile or offensive working environment. This applies to all persons involved in the operation of the company and prohibits such behavior by any employee – whether a supervisor or a co-worker – and any other representative of the company. We prohibit all such behavior, whether directed to an employee, applicant for employment or other person we do business with, such as an outside vendor, contractor or customer.

We also prohibit unlawful harassment based on the perception that any of the above factors are present or based on association with a person who has or is perceived as having any of those factors.

#### **In addition, the company prohibits harassment which can include, but is not limited to, the following:**

Oral or written conduct, such as epithets, sexual or derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments.

Visual displays, such as graffiti, derogatory and/or sexually oriented posters, photography, cartoons, drawings or gestures.

Physical conduct, including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race or any other protected basis.

Threats and demands to submit to sexual requests as a condition of employment or to avoid some other loss, and offers of employment benefits in return for sexual favors.

The use of any media, including telephone, fax, e-mail, instant messaging or the Internet for the purpose of unlawful harassment will not be tolerated.

## Expectations of Employees

Every employee is required to abide by our policy against unlawful discrimination and prohibited harassment and to bring to the company's attention any action that does not comply with that policy or our commitment to equal employment opportunity. Supervisors and managers must be watchful for any signs that our policy is not being followed and must report any possible violations, whether or not there has been no complaint. The company will assess and respond to all reports of unlawful discrimination or prohibited harassment.

If you feel you have been subjected to harassing behavior or you observe such conduct, or someone confides in you that he or she has been subjected to such behavior, you must contact any of the following: your immediate supervisor, the manager of the facility, the local human resources leader, the corporate human resources department, the legal department, the compliance and ethics office, or the GuideLine. Retaliation against anyone for reporting discrimination or unlawful harassment in good faith is against company policy and prohibited.

## Prohibited Substances

We are committed to providing a safe workplace that is free from the use of prohibited substances, including drugs and alcohol.

The abuse of alcohol, the use of illegal drugs or controlled substances, or the misuse of prescription drugs has the potential to affect our safety, attendance, productivity, attitude, reliability and much more.

### Question

One of my co-workers has a habit of telling jokes that offend me and others. Another co-worker is sending inappropriate e-mails. How can I get this to stop?

### Answer

The company promotes a respectful workplace. MBM® Guiding Principle 9 states that all employees are to treat others with dignity, respect, honesty and sensitivity. In a respectful workplace, no one should feel uncomfortable because of offensive or inappropriate jokes or e-mails.

If a co-worker is engaging in conduct that may be offensive or causes you or others discomfort, you should approach the employee directly and ask him or her to stop. If you do not feel comfortable addressing this issue with the particular individual, you must report this behavior using one of the options available to you.

## Question

I have noticed some offensive graffiti in my work area and sometimes overhear some of my co-workers using racial slurs. Their conduct is not directed at me, but I feel like I should say something. I'm afraid they will take it out on me if I say anything. What should I do?

## Answer

You are obligated under our policy to report what you have seen and heard, even if you are not the target or victim. If you would be uncomfortable speaking to anyone locally, you may call the GuideLine or use one of the other options available to you.

## Question

Is it okay to consume alcoholic beverages when on company business, such as entertaining a customer at a business dinner or participating in a company-sponsored event?

## Answer

Use good judgment and obey all relevant laws. These laws include not driving while under the influence and not serving alcohol to minors. Please consider, however, that if you consume alcoholic beverages and return to your workplace and the company has reasonable suspicion that you are impaired by alcohol, you may be asked to submit to testing and may be subject to disciplinary action, up to and including termination.

We strictly enforce, consistent with local law, the following:

You may not unlawfully manufacture, distribute, sell, possess or use illegal or controlled substances.

You may not be under the influence of alcohol while on property owned or occupied by the company or while conducting company business.

If you are employed in a safety-sensitive role or are required to operate machinery or a motorized vehicle (including a rental car) in the course of your employment, **you must notify the company of an alcohol or drug conviction no later than five days after conviction.** In some locations where we operate, such reporting may be prohibited by local law. Contact your local human resources leader if you have any questions regarding the applicability of this provision at your location.

The company will exercise appropriate steps to ensure compliance with this policy, including testing of applicants and employees as allowed by applicable law.

## Workplace Non-violence

We are committed to an environment free from violence, intimidation and other disruptive behavior.

Bullying, violence, threats, harassment, intimidation and other disruptive behavior will not be tolerated. Such behavior can include oral or written statements, gestures or expressions that communicate a threat of physical harm.

Your cooperation is essential to effectively maintain this policy and to help maintain a safe working environment. Do not ignore violent, threatening, harassing, intimidating or other disruptive behavior. If you observe or experience such behavior by

anyone, whether an employee, contractor, customer or visitor — on premises owned or occupied by the company, report it immediately. All reports of such incidents are taken seriously, assessed and dealt with appropriately.

**Threats or assaults should be reported immediately to your supervisor, to your security contact, or the police.**

## Prohibition of Weapons

INVISTA prohibits firearms, ammunition, explosives or other weapons on any property owned or occupied by the company, except as allowed by local law. All weapons, including those used for recreational purposes, may be confiscated if discovered on company premises. You are also prohibited from personally carrying or transporting any weapon in your own vehicle while working or when using company transportation, except as allowed by local law.

Exceptions to this policy will be permitted only with the prior written approval of your company leader/plant manager and corporate security. Authorized weapons must be appropriately secured from theft, misuse and accidental discharge and must be handled in compliance with applicable laws.

This policy does not apply to law enforcement officers, government or military authorities, or their agents acting in their official capacities. Instruments (such as knives) required, approved or provided by the company may only be used in accordance with job assignments.

## Searches

INVISTA maintains the right, to the extent allowed by local law, to carry out searches and examine persons or their property when on property owned or occupied by the company. This right includes, but is not limited to, the right to search and examine all equipment, offices, furniture, computers, lockers, personal items, vehicles, containers, briefcases, backpacks, purses and pockets. Any illegal, unauthorized, misappropriated or prohibited items may be seized by the company, if allowed by applicable law and/or reported to the proper authorities.

## Employee Privacy and Data Protection

The company holds certain information about you as a result of your employment. This information may include personal, employment, medical, financial, educational and training information.

Many countries have laws that regulate the collection and use of such information. These laws may cover personal information relative to customers and other individuals as well as employees. The company is committed to responsible and lawful collection, use, and disclosure of personal information. Further information regarding the laws that apply to your personal data may be provided to you in the form of specific data protection policies, memorandums or consent forms.

# PROPER USE OF ASSETS AND IDEAS

Careful Communication  
Privacy and Use Expectations  
Acceptable Electronic Usage  
Offensive or Harassing  
Communications  
Electronic Data and Systems  
Security Expectations  
Security and Proper  
Use of Company Property  
Intellectual Property and  
Confidential Information  
Protecting the Company's  
Intellectual Property  
Trademark Use

Corporate-Developed  
Software Applications,  
Code and Documentation  
Proper Use of Others'  
Intellectual Property  
Confidential and Proprietary  
Information of Others  
Copyright  
Software License Agreements  
Copying, Using or Distributing  
Unauthorized Software  
Managing Company  
Records and Information  
Accurate Business Records  
Outside Requests for Information

“If people only communicate good news, or if everyone pretends to agree, much less knowledge is generated and fewer discoveries are made. To be most effective, a challenge process must include people with different perspectives, kinds of knowledge and expertise.”

– *Charles Koch*

# PROPER USE OF ASSETS AND IDEAS

## Careful Communication

All communications must be prepared responsibly and with consideration for the intended business purpose. Communications must also be in full accordance with MBM® Guiding Principles and this Code.

In all communications, it is important to tell the truth and to avoid exaggeration, speculation, inappropriate language and derogatory remarks or characterizations. This applies to communications of all kinds, whether written or verbal, and includes phone conversations, e-mails, instant messages, voice mail, daily planner notes and other informal notes or memos.

### *Consider the Following:*

Can you communicate orally instead of in writing? Choose the most effective communication method.

Clearly state the purpose of the communication. Stick to the point.

Is the content factual? Do not include language or present information in a manner that may be perceived as offensive, inflammatory, harassing or otherwise inappropriate.

Do not speculate on outcomes, conclusions or scenarios unless there is a clear business need to do so and you are qualified to make the speculation.

Do not make legal conclusions unless you are qualified to do so. Assert attorney-client privilege only as directed by an attorney or when seeking an attorney's legal advice.

Speak on behalf of the company only when authorized and without representation of personal opinion.

Consider how the message may sound if taken out of context.

## Question

There is a blog site where other individuals that have the same type of role as I do exchange information. I've noticed that some individual's responses include their workplace auto signature that reflects their name, title and company information. Is it okay for me to utilize blogs?

## Answer

You should stick to the facts when seeking or giving information and keep in mind company confidentiality and careful communication practices. Information posted on external blogs or other discussion forums are available to the general public and may be archived for long periods of time. In addition, the inclusion of your auto signature could be misinterpreted as a representation of the company when, in fact, it is not. You must not do anything that may be understood as a representation on behalf of the company.

## Question

I am in the process of buying a house and must immediately send a three-page document to my agent. May I use company equipment or must I leave the office to do this?

## Answer

Use good judgment and use company equipment. Depending on the circumstances, insubstantial and infrequent personal use of company assets may be acceptable. If you have questions about such situations, discuss them with your supervisor.

Is the information being communicated confidential or subject to attorney-client privilege? Provide information on a need-to-know basis, mark communications "confidential" and/or "attorney-client privileged" as appropriate and limit distribution to only those who need to know.

Think before you send. Use good judgment in what and how you say things.

## Privacy and Use Expectations

Company-owned information technology and communication tools, to the extent allowed by law, are subject to monitoring by the company. The company has the right to access these tools and use the content for any lawful purpose. You should not have the same expectation of privacy regarding company-owned information technology or communication tools as you do with your personally owned tools and equipment that are not used for company business.

In some countries where we operate, local law requires more specific notifications and policies regarding privacy and the use of company-owned electronic communication tools. If these are required at your location, they will be provided to you separately from this Code.

The company does not make any guarantees about the reliability of company-owned information technology tools for personal use. If you have a need to transmit personal, sensitive information, you should consider using a communication method other than company-owned tools.

## Acceptable Electronic Usage

The company provides a number of information technology and communication tools that its employees use every day. These tools enhance our competitive advantage in the marketplace. Constant technological changes will increase the number and type of information technology and communication tools available to employees. Regardless of which information technology and communication tools you use, this policy applies and you are expected to use them in an acceptable manner, for proper business purposes.

**Appropriate and acceptable uses of information technology and communication tools include:**

Internal (with other company employees) and external (with customers, suppliers and business partners) business communications.

For appropriate business, technical and research purposes.

Limited personal use that does not distract from your regular job duties or result in inappropriate or unapproved costs.

**Inappropriate and unacceptable uses include:**

Revealing the company's proprietary or confidential information without the appropriate authorization or agreements in place, whether this is done inadvertently or intentionally, and whether inside or outside of the company.

Accessing, distributing or storing materials that could be considered unethical, inappropriate, offensive, disrespectful, harassing or abusive to others.

Conducting outside business.

Transmitting legally privileged information without permission from the legal department.

Misrepresenting oneself as another individual or company.

Conducting illegal activities.

Sending (including uploading) or receiving (including downloading) or forwarding or copying information in violation of copyright laws.

**Question**

My son is at home alone after school until I get home. Is it okay to have him telephone me when he gets home from school to let me know that he has arrived safely?

**Answer**

Yes. It's generally acceptable for us to make and receive personal calls as long as they are infrequent, brief and do not interfere with the normal flow of business activities.

**Question**

Is it okay to use my computer on my lunchtime to access the Internet to research non-business topics of personal interest?

**Answer**

Yes, under certain conditions. If you use the Internet for brief, infrequent periods of time, and you are not accessing inappropriate sites, it is generally acceptable. If you have any doubt, consult with your supervisor. You should also refer to the acceptable electronic usage policy.

## Question

Can I use Outlook Web Access (OWA) from a non-company-owned PC?

## Answer

Public computers and kiosks are not under your control; therefore, you are exposed to risks of spyware, keystroke logging and other viruses. If you must use a public computer for some reason, consider changing your password at the first opportunity. Attachments should not be opened or saved on public computers. On home computers, attachments should not be saved.

## Question

I use e-mail and instant messaging to conduct business and sometimes send jokes to my friends or co-workers. Is this okay?

## Answer

While humor is important to our work and our lives, remember that the e-mail and instant messaging system is a business tool. Jokes or comments that may be offensive to others have no place at the company.

## Question

I am going on vacation with my family. Is it acceptable to use the Internet to make reservations?

## Answer

Yes. Personal use that is brief, infrequent and appropriate is okay.

## Offensive or Harassing Communications

It is unacceptable to view, access, transmit or forward inappropriate content. Inappropriate content includes profanity, violence, gore, potentially offensive jokes, images or other materials depicting or pertaining to nudity, sex or a person's color, race, religion, gender, sexual orientation, national origin, ethnicity, age, disability, pregnancy, veteran status or other legally protected factors.

If you receive an e-mail containing inappropriate content, delete it immediately. Do not forward the content to an alternate e-mail address. As a further precaution, if the sender is known to you, you should advise them not to send such items to your business address. If such material is received from an unknown source, you should not contact the sender, but should contact information technology support or your supervisor if the activity is offensive or excessive.

## Electronic Data and Systems Security Expectations

Security is everyone's responsibility. We are expected to ensure the security of the accounts and equipment we use to manage company information. In all cases, the security precautions taken should reflect the level of sensitivity and confidentiality of the information being protected. Non-company-owned information technology generally should not be used to conduct company business. In the event you find it necessary to use personal or other non-company-owned equipment to conduct company business, you must take appropriate precautions. Each employee who uses information technology must understand and ensure the following as minimum expectations:

Secure and password-protect workstations, portable electronic devices or other devices that provide access to company information.

Individual accounts must be password protected.

Access proprietary and confidential information only on equipment owned by the company and only using an appropriately secured network.

When absolutely necessary to use non-company-owned equipment (such as while traveling), take all appropriate precautions that such information is not inadvertently left exposed or stored on such non-company equipment.

In most cases, passwords should not be shared with other employees. Employee accounts must not be accessed without proper authorization.

If you become aware that your access to information technology tools is no longer appropriate to your role, you are responsible for ensuring you no longer have access to information or applications.

If the need arises to exchange confidential or sensitive business information using electronic communication tools, consider securing the information using encryption tools provided by the company.

You may contact the information technology (IT) help desk or your local IT support person if you are unsure how to fulfill these responsibilities.

## Security and Proper Use of Company Property

Every employee with access to company property or funds has a responsibility to manage these assets with integrity and to avoid misuse. Fraud, theft, embezzlement or other improper means of diverting corporate assets is illegal and unethical. Preventing the theft, misuse or misappropriation of company property by others should be a concern of every employee.

### Question

May I use my company mobile phone to make personal calls?

### Answer

Limited personal use of electronic communication tools by employees that does not result in inappropriate or unapproved costs, such as long distance or other usage charges, is acceptable.

### Question

Is there any problem with connecting via a hotel network where I'm staying to retrieve some spreadsheet information?

### Answer

It depends. There is no problem if you are using the company's standard VPN connection. Otherwise any connection to any public network is unsecured and could be monitored by a third party and therefore should not be used.

## Question

Can I download attachments from my company e-mail on my home PC?

## Answer

Probably not. Consult with your supervisor to determine an appropriate solution, other than your home PC, in the event you need to access company files. You should only download or view attachments on company computers.

## Question

If I discover a great price on something I want to buy and don't have my personal credit cards with me, is it okay to use my company-issued credit card as long as I repay the charges?

## Answer

No. You cannot use a company credit card for personal expenses unless they are incidental to or in conjunction with authorized business expenses.

## Question

My supervisor has asked maintenance employees to leave the facility during working hours to fix an electrical problem at his home. What should I do?

## Answer

You should report your concerns to one of the options available to you so the activity can be reviewed.

Losses can often be limited through normal precautions, including, but not limited to, the following:

Securing equipment, supplies and material against theft or unauthorized use.

Reporting suspicious persons or activities to security personnel.

Reporting all violations of established controls, such as financial or access controls.

## Intellectual Property and Confidential Information

The value of ideas, creations, innovations and information – intellectual property – often exceeds the value of more tangible items, such as physical property. The company's considerable intellectual property assets are central to developing new products, attracting new business opportunities and maintaining our existing businesses in a highly competitive environment.

Intellectual property including inventions, ideas, patents, work processes, etc. that you or others create on behalf of INVISTA, or that relates to our business, belongs to INVISTA. If we do not identify and protect our intellectual property we risk losing our rights to it and the competitive advantages it offers.

Some categories of intellectual property are:

Trade secrets and confidential and proprietary business information

Trademarks and tradenames

Copyrighted information

Patented and non-patented technology

The company's intellectual property may be confidential and contain proprietary information. Confidential and proprietary information must not be shared with others inside of or outside of the company unless the individuals have a legitimate need to know and have agreed to maintain the confidentiality of the information. Appropriate authorization and agreements must be in place prior to disclosure.

Some typical examples of confidential and proprietary information include:

- Business processes and systems
- Corporate strategies
- Customer lists
- Financial data
- Legal and regulatory matters
- Manufacturing methods
- Marketing strategies
- Modeling and other analytical and/or management techniques
- Organizational charts
- Patents, patent applications or patentable (or potentially patentable) inventions
- Pricing information
- Product formulas
- Sales data and strategies
- Software developed by the company
- Technical data, processes and equipment
- Technical product and process information
- Trade secrets and "know how"

## Question

Some non-company sites I visit require me to sign a confidentiality agreement before letting me on site. What should I do?

## Answer

Some sites may require visitors to sign a log and/or visitors badge that includes some form of blanket confidentiality statement. You may sign the log or visitor's pass if it does not obligate you or the company beyond our expectation expressed in this Code of Conduct to respect the intellectual property rights of others. Legal must review all agreements that may further bind the company, and you must have the authority designated to you to sign any agreements. If you are not sure if you can sign one of these blanket confidentiality statements or any other agreements, you should contact the legal department before signing. It is best to ensure that any necessary agreements are executed in advance of a planned visit. Otherwise, if you are unable to meet the requirements of the site you may have to decline to enter the site or discontinue the meeting until you can properly execute an agreement.

## Protecting the Company's Intellectual Property

You are not allowed to use INVISTA's intellectual property for personal benefit or for the profit or benefit of persons outside of the company.

Care must be taken not to lose, misplace or leave confidential information unattended or where others may easily access it. Do not casually discuss confidential information where others might overhear. You must always adhere to the specific security measures or procedures the company has established.

When employment ends, the obligation to protect the company's confidential information and intellectual property continues indefinitely, unless such confidential information or intellectual property lawfully enters the public domain. All property, documents, materials and files, including computer materials and databases, must be returned to the company. No copies of confidential information or intellectual property belonging to the company should be retained.

## Trademark Use

There is inherent value in presenting a unified look to our customers and communities. Our corporate identity is a valuable asset, and it is important to follow graphic standards to maintain viable and undiluted rights to our logos and other trademarks. Brands like LYCRA® fiber and STAINMASTER® carpet are trademarks of INVISTA. Consistent use of the company's marks benefits the company and preserves the strength of our marks.

INVISTA has approximately 9,000 trademark registrations "®" or pending applications "™" around the globe. We create and protect these trademarks because they create value by differentiating INVISTA products in the market. Improper use of these trademarks can cause them to become "generic" terms or colloquial descriptions of products. To prevent them from becoming generic:

The trademark must be distinctive from the surrounding text (i.e., ALL CAPS).

Show the proper registration status each and every time the trademark appears. If the mark is registered, use the trademark symbol with an uppercase "R" in a circle, "®." Use the superscript, uppercase TM symbol, "™" if it is not yet registered.

Use trademarks as an adjective to describe the correct generic term. Do not use the trademark as a noun. In every instance, use the correct generic term for the material, preceded by the trademark. For example – correct: Clothing with LYCRA® fiber, incorrect: “LYCRA® clothing.”

Use of the word “brand” in association with the trademark and the generic is also acceptable to strengthen the recognition of a trademark. (i.e., LYCRA® fiber brand).

A registered trademark must be used only in the exact form in which it is registered.

## Corporate-Developed Software Applications, Code and Documentation

Software applications developed by employees are INVISTA property and are generally for exclusive use by the company. You are prohibited from unauthorized duplication or distribution of these applications.

## Proper Use of Others’ Intellectual Property

Just as you have an obligation to properly use and protect the company’s intellectual property and confidential information, you have an obligation to ensure that you provide the same respect for the intellectual property and confidential information of others. It is the right thing to do and there can be significant legal consequences for you and the company if you do not also protect others’ intellectual property.

### Question

I overheard some employees discussing company business on a commercial airplane. What, if anything, should I do?

### Answer

If you believe the information being discussed is sensitive or confidential, tell the people they can be overheard. Every employee has a responsibility to ensure that confidential and proprietary information is not shared publicly.

### Question

Do I have to protect confidential and proprietary information even after I leave the company?

### Answer

Yes. You are legally obligated not to use or disclose INVISTA’s confidential and proprietary information after you leave the company.

### Question

I just discovered what appears to be sensitive information left in a conference room. What should I do?

### Answer

Try to determine the likely owner of the documents and return it to them. If you cannot, contact the compliance and ethics office or the legal department for help.

## Question

Can I sell a product or service I develop on my own time?

## Answer

It depends on the product or service. Like many companies, we claim an ownership right, to the extent allowed by law, to any product or service reasonably related to our business, even if you develop it on your own time. Acting with integrity and ensuring that you are complying with your legal obligations requires a release letter from the legal department before you begin marketing any such product or service.

## Question

I just downloaded this great article that I read on a trade association's Web site. May I e-mail it to others on my team or would it be better to print it and distribute it?

## Answer

It depends. Always check the terms and conditions or permissions. Some sites may allow you unlimited distribution. Many, however, only allow you to download and print one copy for your personal use. Seek ways to appropriately share the knowledge. Options may include passing along the Web site link or requesting permission from the copyright holder.

## Confidential and Proprietary Information of Others

Collecting information about our competitors from legitimate public sources to evaluate the relative merits of their products, services and marketing methods is proper and often necessary. However, there are limits to the ways information may be acquired. For example, seeking confidential information from a new employee who recently worked for a competitor or misrepresenting your identity in the hopes of getting confidential information from or about a competitor is prohibited and may be illegal.

If information is covered by a confidentiality agreement or use-restriction obligations that the company owes to another individual or company, such as a licensor of technology, the sharing and use of such information is subject to the conditions of the agreement with the party.

## Copyright

Copyright laws protect many materials we use in the course of our work. Audio and videotapes, trade journals, books and magazines are some examples of these materials. Presentation slides, training materials, management models or other materials prepared by outside consultants or organizations may also be copyrighted.

Do not reproduce, distribute or alter copyrighted software, documentation or other materials without a valid license or other prior permission of the copyright owner or its authorized agent.

To distribute copyrighted materials, you have several options:

Seek permission to reproduce and distribute from the copyright owner.

Circulate the original material.

See if the material is covered by our corporate license agreement from Copyright Clearance Center (CCC) by visiting their website at [www.copyright.com](http://www.copyright.com).

Refer to the Compliance and Ethics intranet site for additional resource contacts if the publication that you wish to copy is not listed on [www.copyright.com](http://www.copyright.com).

## Software License Agreements

Software licensed for use on company computers is generally created and copyrighted by other companies and may be subject to restrictions regarding its use and distribution. The company generally receives and uses this software under licensing agreements and does not have ownership rights. Copying or using software on unauthorized computers may be illegal and also may violate the license agreement.

Use software only in accordance with the terms specified in the applicable software license agreement. You are responsible for understanding and complying with the company's IT software policy and all software license agreements. If a specific software license agreement is not clear, contact your local IT group.

### Question

I attend college courses on weeknights and would like to use some information that belongs to INVISTA in connection with a course assignment. Does this violate company policy?

### Answer

Possibly. Much of the information we produce, use or control while working for the company is proprietary. While some information is public and can be used elsewhere, or may be appropriate to use for educational purposes, we should never assume any information we work with at the company is, in fact, public. Ask your supervisor before using any company information for any purpose other than your responsibilities at the company. If in doubt as to whether certain information is public, ask before using it.

## Copying, Using or Distributing Unauthorized Software

Do not make, use or distribute unauthorized copies of any software under any circumstance.

## Managing Company Records and Information

### *Records and Information Management Policy*

It is our responsibility to ensure that the company's business records are managed effectively and efficiently from creation through disposition. INVISTA's records and information management (RIM) expectations are as follows:

Comply with applicable laws and regulations mandating the retention of certain types of records.

Manage and retain records in accordance with the company's business needs.

Preserve all records that may be relevant to any ongoing or expected litigation, audits or government investigations or are subject to legal or tax hold.

Preserve archival and historical records.

Ensure that records which are vital to the operation of the company are available in the event of a disaster.

Ensure that records with no continuing business value and that are not subject to any legal or tax holds are properly disposed of in the normal course of business, according to established retention policy, procedures, and controls.

This applies to all records in any form created or received by INVISTA.

### Question

What is the policy regarding software purchases?

### Answer

Software purchases are coordinated through your site IT resource and must follow the company's software purchasing policy to ensure global management and auditing of our software licenses.

### Question

Can software licenses be transferred from one company employee or representative to another company employee or representative?

### Answer

All license transfers should be cleared through a procurement representative or your IT leader. Some licenses prohibit transfers between employees or require other special handling.

## Accurate Business Records

Truthful, accurate and complete recording and reporting of information is required in order to make sound business decisions. Therefore, never make a false or misleading entry or statement in any of the company's records. This includes all business records such as environmental, safety, operational, personnel and financial records.

To protect company records, always:

Prepare records truthfully, accurately and completely.

Sign or approve only records that are truthful, accurate and complete.

Retain records according to legal requirements and company policy.

Disclose records only as authorized by company policy or in response to a legal process.

Never give out false information or act deceptively. This includes making false entries in company books and records, unauthorized destruction of documents, falsification of documents, giving or soliciting false testimony, or engaging in any act designed to cover up, obscure, mislead, or hide a fraudulent transaction or act.

## Question

**My supervisor gave me an invoice and asked me to put it on my company credit card and forward it to her for approval and payment. Should I pay the invoice?**

## Answer

**No. Every employee is responsible for paying the expenses they incur. In this case, your supervisor, who can certify the expense, is responsible for the charge and should submit it to her supervisor for approval, even if the amount is within your supervisor's authority to approve.**

## Question

**Is it acceptable to install freeware, shareware, etc., onto my company computer?**

## Answer

**Do not install any software product including any software you may have purchased for personal use, on a company computer without approval by your business IT leader. They can help ensure that all license requirements are met and that the software is appropriate for use on the computer.**

## Question

**I think a co-worker is reporting hours that she did not work. What should I do?**

## Answer

**Falsely reporting hours that an employee did not work demonstrates a lack of integrity and is a serious issue. It also results in higher costs to the business and is a form of theft. Report your concern using one of the options available to you.**

## Outside Requests for Information

To ensure proper handling, refer outside inquiries to the appropriate department or personnel.

Refer all inquiries from regulatory agencies to the legal department or appropriate professionals within the company such as human resources or environmental, health and safety professionals.

Refer all inquiries from news or trade media to government and public affairs, who will identify an appropriate spokesperson.

Refer all inquiries about current or former employees to your local human resources leader.

Refer all outside inquiries about your employment, even if you are no longer employed by INVISTA, to INVISTA's legal department.

### Question

What if my supervisor asked me not to report my overtime hours?

### Answer

The law and company policy are quite clear in this area. You must accurately report all hours worked without exception. You must report your supervisor's behavior using one of the options available to you.

### Question

I'm supposed to check the gauges on a piece of equipment every shift. Yesterday I forgot. I almost always get the same measurement. Is it okay to just fill in yesterday's reading with today's data?

### Answer

Absolutely not. Everything we do is based on honest and accurate measurements and reliable data. Practice integrity and humility by acknowledging that you made a mistake. Mistakes can become particularly serious when employees attempt to cover them up.

# PERSONAL AND BUSINESS INTEGRITY

# 4

Avoiding Conflicts of Interest  
Personal Activities  
Gifts, Gratuities and Entertainment  
Resolving Conflicts of Interest  
Insider and Personal Trading  
Personal Trading Restrictions  
Employees with Access to  
Sensitive Information

4  
“Effective compliance is the necessary condition for us to be allowed to create – and share in – real, long-term value.”

– *Charles Koch*

# PERSONAL AND BUSINESS INTEGRITY

## Avoiding Conflicts of Interest

A conflict of interest occurs when personal, social, financial or political activities interfere with our responsibilities to the company. Actual conflicts must be avoided. Even the appearance of a conflict can be damaging and should be avoided. You have a primary business responsibility to the company and are expected to avoid any activity that may interfere, or have the appearance of interfering, with the performance of this responsibility.

**Some examples of areas where conflicts of interest may arise are:**

### Taking Advantage of Company Business Opportunities

You may not take personal advantage of business opportunities, or potential business opportunities, that you learn about or develop in the course of your employment with INVISTA. This is true whether it directly benefits you or any other person or business.

## Question

One of the electrical contractors on-site at INVISTA has offered me a part-time job on the weekends. Would this create a problem?

## Answer

Probably so. Our policy on avoiding conflicts of interest obligates all of us to avoid even the appearance of a conflict of interest.

## Question

I have an investment in a company that is not a customer, or supplier. My investment causes me to receive and answer e-mail and phone calls occasionally while I am at work. Does this cause a conflict of interest?

## Answer

It depends. There are many factors that could cause a conflict to exist. You should contact your supervisor to discuss the facts related to your investment and together determine a course of action.

## Question

Can our family-owned business sell its products or services to INVISTA?

## Answer

Behaving with integrity requires that your family business should not try to transact business with the company unless and until you have received permission from your local management or the compliance and ethics office.

## Question

**My sister manages a local supply store and she says that she can save us money if I help her do business with the company. Can I use her firm or recommend her firm to others in the company?**

## Answer

This might be perceived as a conflict of interest or favoritism. You should disclose the relationship and receive advance approval from your local management before pursuing this business arrangement or recommending it to others in the company.

## Question

**I am a software programmer for the company. I want to start a business that will develop and maintain personal computer software for small companies. Will this be a conflict of interest?**

## Answer

It depends on many factors, such as whether your product is similar to programs that you develop while employed by the company, and whether company time, material, equipment or proprietary information would be used in developing, marketing or maintaining your product. Before starting your business, you should consult with your supervisor to get a conflict of interest determination as well as determine whether any company proprietary information or trade secrets are involved.

## Working for Other Companies

While there is no general prohibition against working for other companies, doing so must never interfere with your responsibilities to INVISTA, including taking time away from company duties or misusing company resources. If the second job is with an organization that is a competitor, customer or supplier of goods or services to INVISTA it raises an actual or apparent conflict. The same considerations apply to working, consulting with or advising for an organization that is seeking to become a customer, supplier or competitor of INVISTA. Before taking a second job with any other company, you should talk with your supervisor to make sure it does not pose a conflict for you.

## Ownership or Investment in Other Companies

You and your close relatives should not have a substantial interest in our customers, competitors or suppliers. You are required to inform your supervisor about any outside business interest you have or are considering. In addition to a potential violation of insider trading law, ownership or investments of this kind may impair your ability to make objective business decisions on behalf of the company and divert you from your primary responsibilities to the company.

## Conducting Business with the Company

Except when specifically permitted or approved, you and your close relatives may not engage in any transaction with the company. Examples include the rental, purchase, sale, use or transfer of property or provision of service.

A conflict may arise when a relative or friend works for a competitor, customer or supplier and directly interacts with you or your business group as a part of their role with that company. If you are unsure of whether you could be in a situation that might create a potential conflict of interest, consult your supervisor.

## Personal Activities

We are all expected to commit our full attention to business activities during business hours. Do not let personal activities, including those related to a personal business, take attention away from or interfere with your responsibilities to the company.

## Gifts, Gratuities and Entertainment

We pride ourselves on building strong relationships with suppliers and customers. At times, it may be appropriate to exchange modest gifts or entertainment. Good judgment and common sense are critical in determining the appropriateness of a gift or entertainment. Use the following guidelines to help with your decisions:

Any gift or entertainment received or offered must be legal, of limited value and support a valid business purpose.

Do not solicit any form of gift or gratuity from any customers, suppliers, government officials or business associates.

Do not give or receive gifts, entertainment, favors, services, payments or special treatment of any kind, to or from any individual, organization, or government official that seeks to conduct or conducts business with the company, or that competes with the company unless:

It is lawful, ethical and consistent with good business practices.

Proper approval is received.

It creates no real or perceived business obligation.

Public disclosure of the transaction would not embarrass the company.

## Question

**I'm thinking about selling cosmetics as a part-time venture. I would like to sell these items to my co-workers. Would this involve any conflicts of interest or other policy violations?**

## Answer

Possibly. You would not be allowed to solicit business from your co-workers on company time or company property or using company resources, like e-mail. It is also a good idea to avoid selling to anyone you supervise. Working through these issues with your supervisor may help you determine if you can start your business without creating a conflict of interest.

## Question

**Is the US\$100 approval limit on gifts an annual limit?**

## Answer

No. The limit relates to the value of an individual gift item. However, frequent personal gifts to or from one individual would likely violate the policy.

## Question

**What if my customer is offended that I cannot accept a gift that is over the US\$100 limit?**

## Answer

Usually a polite explanation that company policy prohibits you from keeping the gift will be sufficient. In some circumstances, such as a gift from an official of another country, other alternatives may be more appropriate, such as displaying the gift in a public area or donating the item to a local charity. Consult your supervisor prior to accepting such a gift.

## Question

May I accept a business meal from a customer or supplier?

## Answer

You may let a customer or supplier pay for a meal arranged for the purpose of discussing business. However, it probably is not appropriate to let customers or suppliers repeatedly pay for your meals.

## Question

My spouse and I have been invited by a supplier and his spouse to join them for a weekend golf outing. Is it okay for my spouse to attend?

## Answer

Again, there must be a reasonable expectation that some business benefit to the company will result. You and your spouse's travel and entertainment should be treated as a gift, and if the value of the trip exceeds US\$100, approval must be received prior to your acceptance.

## Question

May I accept an offer to vacation with my family at a customer's mountain condominium even though the customer will not be present?

## Answer

Since you are not going to be with the customer to discuss business or otherwise further your relationship, there probably will not be a sufficient business purpose to justify the offer. You may pay the customer fair market value for the condominium after seeking approval from your supervisor or the compliance and ethics office.

Giving or receiving gifts, entertainment or other gratuities may require documentation on your part. You should ensure that you understand these requirements and take appropriate action.

No gifts of money, cards that can be used as cash or other cash equivalents should ever be given or accepted.

Offering, giving, soliciting or receiving any form of bribe or kickback is strictly prohibited.

As a general rule, avoid any relationship with customers, suppliers, government employees or other business associates that could affect or influence your ability to make good business decisions.

Giving or receiving gifts, entertainment or other gratuities that exceed US\$100 in value must be approved by your supervisor. In some cases gifts, entertainment or payments may involve foreign officials as described in the section of this Code on anti-corruption. These require a higher level of diligence that may include independent review and approval by compliance, legal, and the business.

## Resolving Conflicts of Interest

If you think that you may have a conflict, real or perceived, report all relevant details to your supervisor, the legal department, or the compliance and ethics office. Most conflicts of interest can be resolved in a mutually acceptable way, but they must be addressed.

## Insider and Personal Trading

In the course of your everyday work, you may gain information of a confidential nature regarding the business of the company or third parties such as customers, suppliers or venture participants.

INVISTA and its employees are prohibited from buying, selling, recommending, donating, giving or otherwise transferring securities of an issuer, its securities or futures, while in possession of material, non-public information relating to that issuer. In addition, you must not “tip” other people; that is, you must not disclose such information to others. If others act on the information you provide, you could both be violating the law and subject to severe penalties.

Your awareness of material, non-public information at the time you purchase or sell a security of an issuer may be enough to violate insider trading laws. It may not matter whether you actually use the information in making the purchase or sale.

Some examples of “securities” are:

Instruments that signify an ownership interest in any entity, such as stock and limited partnership interests.

Instruments that evidence a creditor relationship, such as notes and bonds including investment-grade and high-yield corporate bonds.

Options and other derivatives.

### Question

One of the vendors we used to work with is having a charitable event. May I attend if I pay for the event with my own money? What if I win a door prize, may I accept it?

### Answer

Generally yes, but you should advise your supervisor to ensure that there is not even an appearance of impropriety. Generally, you could accept the door prize, but the issue should be raised with management to avoid any potential conflict of interest issues.

### Question

I've become aware of a proposed venture between INVISTA and a publicly traded company. It hasn't been publicly announced. May I trade in the other company's securities or pass along the information to someone else?

### Answer

No, you may not. Since you are aware of material, non-public information about the publicly traded company, you must not trade in any security of that company or pass along such information to anyone else.

## Question

One of my customers has invited me to attend a three-day conference sponsored by his company at a major resort. The conference agenda includes some business activities but also provides for leisure activities. May I accept the invitation to attend at the customer's expense? Suppose the same invitation came from a supplier, could I accept?

## Answer

In either case, you should only attend if there is a reasonable expectation that your attendance will create value for your business, that the event is typical of your industry and your supervisor approves in advance. Participation at such conferences can help build good customer or supplier relations. Participating in events that do not present significant business opportunities is inappropriate.

## Question

I'm responsible for securing temporary help through outside employment agencies. One of the agencies sent me a gift during the holiday season. Can I keep it?

## Answer

You can accept the gift if it meets each of the following tests: it is unsolicited; it is inexpensive (less than US\$100); it is not cash or a cash equivalent; and it will not cloud or be perceived as clouding your business judgment. If you are unsure, discuss the situation with your supervisor or the compliance and ethics office.

Given the wide variety of investment options, you should contact the compliance and ethics or legal departments with any questions on what qualifies as a "security." "Material" information is generally regarded as information that a reasonable investor would think is important in deciding whether to buy, hold or sell a security. It is any information that could reasonably affect the price of a security. Either positive or negative information may be material.

Some examples of possible material information include:

Projections of future earnings or losses.

Information regarding a potential or proposed merger, acquisition or venture.

Information regarding a significant sale or purchase of assets.

Changes in key management.

Significant new products or discoveries.

Impending bankruptcy or financial liquidity problems.

Major litigation.

Gain or loss of a substantial customer or supplier.

Significant changes in credit rating or credit status.

Information is considered "non-public" until it has been effectively disclosed to the investing public, as through a press release or otherwise, and enough time has passed for the investing public to be able to evaluate the information.

If you violate the laws regarding insider trading, you may be subject to severe criminal and civil penalties, including substantial fines and imprisonment. In addition, you may expose the company to considerable fines.

## Personal Trading Restrictions

In addition to observing the insider trading laws, you must observe the following restrictions in your personal trading activity:

Do not buy or sell securities of a particular issuer if your leader has informed you that transactions in the securities of that entity are prohibited.

Do not buy or sell any physical commodity, future or derivative that is traded by INVISTA. Even if the commodity, future or derivative is not traded by INVISTA, you are responsible for ensuring that the contemplated transaction does not represent an actual or perceived conflict of interest.

These restrictions also apply to your family members and others that live in your household. You are expected to ensure that they comply. These restrictions also apply to any account over which you have control or discretionary trading authority, even if that account is not in your name.

## Employees with Access to Sensitive Information

If you are designated as an employee with access to sensitive information (EASI), ensure your trading of securities complies with the personal trading requirements for an EASI, including requesting appropriate authorization before buying, selling, donating, giving or otherwise transferring any security.

### Question

I've become aware of financial information about one of our customers which indicates that customer is in better financial condition than most people realize. I want to purchase stock in the customer's company. May I do so?

### Answer

You may not purchase this stock until the financial information is known to the investing public. The information may have been entrusted to us in confidence by the customer to help us determine how to best meet the customer's needs. Using this information for personal gain or disclosing it to others could violate insider trading laws as well as our policies regarding the use of confidential and proprietary information.

## Question

May I invest in mutual funds or in an investment strategy where I have no discretionary control and still adhere to the company's insider trading and personal trading policies?

## Answer

Yes. If the mutual fund or investment strategy is managed by an independent financial institution that is making the decisions to purchase or sell securities in the fund.

## Question

I have heard that the government brings charges only against individuals who make large insider trading profits. Am I correct in thinking that as a small investor, I do not have to concern myself with insider trading laws?

## Answer

All investors, large or small, need to comply with insider trading laws. The government has brought charges against individuals with little or no profit from trading. The government and securities exchanges have very sophisticated computerized detection systems, which can detect even the smallest suspicious trade. The probability of being caught is extremely high.

If your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, carefully consider how the government and others might view your transaction.

## Question

I would like to purchase a security of a major customer of my business group. May I purchase the security of the customer for my personal account?

## Answer

You must check with the compliance and ethics office or the legal department when considering this transaction. If you are aware of material, non-public information relating to the customer, in addition to violating company policies, you could be violating the insider trading laws if you purchase the security of the customer. If, however, you are not aware of material, non-public information relating to the customer, you might be allowed to purchase the security of the customer if it does not create an actual or perceived conflict of interest. Questions regarding conflicts of interest should be directed to compliance or legal.

# ENVIRONMENT, HEALTH AND SAFETY

# 5

“Staying compliant is not easy, but it is essential for our survival and success. That’s why I am counting on your commitment to 10,000 percent compliance. The reward for that commitment includes a safe workplace and a cleaner environment.”

– *Charles Koch*

# ENVIRONMENT, HEALTH AND SAFETY POLICY

INVISTA will manage its businesses and operations in a manner that protects the environment and the health and safety of employees, customers, contractors and the public, while fully complying with applicable laws and regulations. Our company will continuously improve EHS performance toward a goal of zero incidents.

To understand and implement this policy, you must understand how EHS requirements affect your job and how your roles and responsibilities affect the company's EHS performance.

EHS Guiding Principles:

EHS excellence is mandatory for our long-term success.

EHS excellence requires the commitment and personal involvement of all levels of management and all employees.

Protection of human health and safety and the environment must come first, no matter how urgent the job, project or commercial interest.

Employees have the obligation and the ability to prevent incidents.

Incidents, unauthorized releases and noncompliance are unacceptable.

All employees and contractors are responsible and accountable for understanding and complying with all regulations, requirements and procedures relating to their job performance.

Protection of human health and safety and the environment must be a consideration in the development of products and services.

INVISTA is committed to:

Taking action consistent with the EHS policy and belief stated above.

Continuing to improve EHS compliance and performance through the ongoing implementation of EHS management systems.

## Question

I work at a small facility and I am aware of a safety issue that may cost a lot of money to fix. I am afraid the plant won't be profitable if we have to spend the money. Should I still report the issue?

## Answer

Absolutely. Protection of human health, safety and the environment must come first, no matter what. Safety is more important than profits. Report the issue immediately before someone gets hurt. Use one of the reporting options available to you.

## Question

I work in a high noise area, and some of my co-workers refuse to wear their required hearing protection. I don't want to be a troublemaker, but I am concerned about them. What should I do?

## Answer

You should be commended for being concerned about your co-workers' safety. You should talk to them and explain your concerns, if you feel comfortable doing so. Not wearing required hearing protection is a violation of our policies regarding personal protection equipment. You should also use one of the reporting options available to you so the company can understand the issue. Maybe the hearing protection is uncomfortable and needs to be redesigned, or maybe additional training is needed.

Continuing to integrate EHS concerns into all business and operational planning and decision making.

Providing a safe work environment and training for all employees.

Requiring the same level of commitment and performance from contractors that work in our facilities as we do from our employees.

Efficiently utilizing materials, natural resources and energy to produce our products and services, consistent with INVISTA's sustainability vision.

Responding in a timely and appropriate manner if an incident occurs.

Working proactively with legislators, regulators, concerned groups and industry peers to develop and advance effective approaches to human health and safety and environmental protection.

Communicating openly and regularly on EHS issues and performance with employees, contractors, customers, regulators, and the public.

Regularly auditing and assessing EHS performance and compliance, and taking the appropriate corrective actions as necessary.

Seeking the best knowledge within the company regarding EHS issues.

Elevating any EHS issue within the company when appropriate action is not being taken.

Environmental health and safety protection as an integral part of the commercial lifecycle of company products.

There are many technical resources in place to provide expertise in managing complex EHS compliance requirements. These resources include:

EHS leaders within the company

Other company technical staff

Corporate EHS staff

Legal

All EHS incidents should be immediately reported to your supervisor or appropriate management.

Any employee who knowingly violates applicable environmental, health and safety policies, laws, and/or regulations will be subject to disciplinary action, up to and including termination of employment.

## Question

We just implemented some new safe work practices. I have been doing this kind of work for over 20 years and have never been hurt. Why do I have to change the way I do things?

## Answer

Your safety is our first priority. The company is not trying to make your job harder. The procedures are necessary to identify hazards so that you and your co-workers are protected and to ensure compliance with regulations and our EHS policy. If you have concerns about the procedures or if you think you can improve them, talk to your supervisor or your local safety professional.

## Question

Are you really serious about 10,000% compliance? What about "minor paperwork" violations that don't really harm the environment?

## Answer

Our expectation is 100% of employees fully complying 100% of the time. This clearly includes all legal and regulatory requirements, no matter how insignificant they may seem to you. So-called "paperwork" violations can result in significant civil and criminal penalties for you and the company.



# INTERACTIONS WITH THE GOVERNMENT

# 6

Government Submittals  
and General Interactions

Government Contracts

Anti-corruption Laws

Political Activities  
and Contributions

Lobbying (Advocating  
Government Policy)

“We believe communities and governments are more likely to allow companies to grow and prosper when those firms are leaders in environmental, safety and other regulatory compliance. Everyone benefits when new and better jobs are created by practicing Principled Entrepreneurship™.”

– *Charles Koch*

# INTERACTIONS WITH THE GOVERNMENT

**We are obligated to know the applicable laws and ethical standards of a government with which we deal. These laws and standards may be more rigorous than those that apply to our non-government customers and suppliers. In general, these laws are intended to assure timely, complete and accurate disclosure to the government and that interactions with the government are conducted in an ethical manner.**

**Violations of these requirements can lead to criminal and/or civil liability for the company and the individual.**

The definition of “the government” can be very broad, including:

Officials or agencies that one may readily identify as the government (i.e., members of the legislature, the judiciary, the executive branch or administration, or other elected or appointed political leaders).

In some circumstances, relatives of government employees.

Non-government agents acting on behalf of the government agency.

Primary contractors operating on behalf of or under contract to a government agency.

State-sponsored universities or research organizations.

Government “instrumentalities,” including officers and employees of companies under government ownership or control.

The law may consider interactions with employees of government-owned companies as government interactions, even if the companies are operated like privately-owned corporations or the employees do not believe themselves to be agents of the government.

## Government Submittals and General Interactions

Government submittals may include oral or written statements made to government officials, or other written reports or statements that are prepared in response to a government requirement or request. General interactions typically occur on a non-routine basis and are driven by business need, unplanned contact or government action. You must avoid even the appearance of impropriety when dealing with government agencies or their officials, employees or contractors. Always avoid activities that may be perceived as attempts to improperly influence them, such as offering or providing something of value for the purpose of rewarding or influencing an official action.

If you or an agent or representative of the company have interaction with a government entity or its representatives:

Always be truthful in your dealings with the government.

Do not authorize, offer, provide, accept, deliver or solicit any payments, gifts, gratuities or favors, either directly or indirectly, for the purpose of rewarding or influencing any political official or government employee or their contractor or agent. These prohibitions often carry criminal penalties. In some cases, they also apply to retired political officials and government employees.

Ensure in advance that any gifts or gratuities given or received are permissible under local and other applicable laws.

Note that gifts often are defined broadly. They can include anything of value, such as money, service, loans, travel, meals, refreshments and entertainment.

Do not give government employees, public officials or members of a public official's immediate family preferential treatment for business transactions.

Never engage in misrepresentation, misstatement or intentional omission of a material fact.

Ensure that all documents and reports are truthful, accurate, timely and complete. This includes all supporting documentation that may be required.

Disclose immediately to your supervisor, any misstatement, misunderstanding, material omission or other mistake, whether intentional or unintentional, so that the issue can be resolved in accordance with the law and company policy.

You must be authorized by appropriate management to represent the company in government interactions. If you are not specifically authorized to submit information to the government, you do not have authority to take such action. Government interactions may include:

Providing any payment, gift, gratuity, travel or entertainment, including business meals.

Making commitments to the government on behalf of the company.

Certifying compliance.

Agreeing to permitting, operating or other business conditions not already prescribed by law.

Bidding, proposing pricing or terms, or entering into a contract or other commercial relationship with the government.

Payments or gifts made for any purpose to a government entity or official must be recorded in accordance with INVISTA's policies and practices. This applies to payments provided directly by the company and also to payments provided on behalf of the company by an agent or representative.

## Government Contracts

Contracting and commercial relationships with government entities is materially different from contracting with other entities. In commercial contracting, the parties have, within certain limits, the power to fashion their own terms, conditions and remedies. This is not the case with contracts between private parties and the government. Government contract terms, conditions and remedies are largely established by law.

## Question

I was told that I could hire a consultant to assist us in obtaining a contract with a foreign government-owned company. He requested a US\$40,000 retainer and said that he would use the money to “help get the job done.” Since we don’t really know where the money is going, do we have to worry about it?

## Answer

Absolutely. Our company requires us to take steps to help ensure that this money is not used as a bribe or any other improper purpose. You must seek the advice of the legal department.

## Question

Is it illegal to entertain an employee of a government agency or government-owned company?

## Answer

It depends. “Entertaining” or “providing anything of value” must be reasonable, have a proper business purpose and be consistent with the applicable laws in the relevant countries. If you have any doubts, seek the advice of the legal department before taking action.

For these reasons, only certain individuals in the company are authorized to negotiate or enter into a contract with any government.

It is generally unlawful to make any untrue statement or unsubstantiated claim to a government official to collude in bidding, or to request payment for work not performed. There may also be additional requirements for documentation or performance certification that are defined by law and not stated in the terms of the contract. In addition, you must be alert for government contracting requirements or terms and conditions that may flow down from a primary contractor of the government to the company as a subcontractor. It is also unlawful to offer gratuities or inducements such as future employment, trips or even meals to public officials, when the offer may influence or be intended to influence a public official in performing official duties.

If you have reason to believe that an employee has engaged in any of the behavior described above or has otherwise violated the terms of a government contract, contact one of the options available to you.

## Anti-corruption Laws

Most countries where we conduct business have enacted strict anti-corruption laws (such as the U.S. Foreign Corrupt Practices Act) that apply to relationships with foreign officials. These laws generally forbid offering or giving anything of value, directly or indirectly, to a foreign official for the purpose of obtaining or retaining business, or for any improper purpose. In addition to representatives of government agencies, these laws generally consider business entities or employees of entities that are wholly or partially owned by a governmental entity to be foreign officials.

These laws apply to the company and its employees, but in certain circumstances, we can also be held responsible for the actions of our agents and representatives.

**Never:**

Offer, promise, make or approve any unauthorized payment (cash or otherwise) to a foreign government official.

Induce a government official to do something illegal.

Establish an unrecorded fund for any purpose.

Issue a check or draft without accurate documentation.

Make a false entry in company books.

Induce someone else to violate these rules or look the other way when there might be a violation.

Do business with an agent, partner, distributor or consultant who may deal with foreign officials on behalf of the company without proper vetting and documentation. You must ensure they understand INVISTA's expectation to behave ethically and in compliance with these laws.

If you learn of a payment made or requested that might be in violation of any country's anti-corruption law, immediately report your concerns to the legal department, the compliance and ethics office or call the GuideLine.

## Question

Suppose we have a shipment stuck in customs abroad and our customs broker suggests that we just pay a local customs official US\$250 to expedite the process. Can we make this payment?

## Answer

Generally, no. However, facilitation payments are a complex issue. Under U.S. law, for example, certain payments for routine non-discretionary action may be permissible. But distinguishing lawful facilitating payments from unlawful bribes can be difficult, and such payments are prohibited and/or considered unethical in many other jurisdictions. You must consult the legal department prior to taking action.

## Question

A friend of mine is running for local political office and I'd like to help him out in his campaign. There's no problem with this, right?

## Answer

Right. Your personal support is your personal business. Just make sure that you don't use company resources, such as office equipment or supplies, your company work time, or the company's name to advance the campaign.

## Question

**My cousin is mayor of our town, and we meet every Sunday for a family dinner. She often inquires how she can help the company. When does someone become a lobbyist?**

## Answer

It depends on the local and/or state laws, which vary greatly with respect to what type of contact with a government official constitutes lobbying. Seek guidance from the company's office of government and public affairs or legal department.

## Question

**I communicate with federal and state government agency employees on policy issues affecting the company, but I don't talk about pending legislation. Am I a lobbyist?**

## Answer

Federal and state lobbying laws may apply to contact with certain executive branch officials and employees on many subjects, including laws, regulations or government policies and programs. These laws also may apply to certain activities relating to those contacts, like background research. Seek guidance from the company's office of government and public affairs or legal department.

## Political Activities and Contributions

The company encourages us to exercise your right to vote and participate in the political process. If you are involved in politics, you must be sure that you express your views as an individual and not as a representative of the company. In general, involvement in personal political activities or donations must be on your own time, at your own expense and without the use of company supplies or facilities.

Like all responsible citizens, the company may participate in the political process. However, corporate political participation is highly regulated and complex. Therefore, using corporate resources for or making corporate payments to any political party, candidate or campaign may occur only if permitted by law and approved in advance by INVISTA's government and public affairs team members.

## Lobbying (Advocating Government Policy)

Lobbying activities can include direct and indirect interactions with government agencies or their officials or employees that are intended to influence current or future government action. Such activities are strictly regulated in most countries, as well as in many states, provinces and localities. The company will engage in lobbying activities consistent with our philosophy and MBM® Guiding Principles and in accordance with the law. Such activities must be authorized and guided by INVISTA's government and public affairs team members.

# CONDUCTING COMMERCIAL ACTIVITY LAWFULLY AND WITH INTEGRITY

Antitrust and Competition Laws

Business Inducements

Marketing and Advertising

Money Laundering Laws

Customs Laws

Export Controls and  
Trade Sanctions

Commodity Trading

Anti-Boycott Laws

“A positive reputation is built by behaving consistently with sound principles, creating real value, achieving compliance excellence and living up to commitments.”

– *Charles Koch*

# CONDUCTING COMMERCIAL ACTIVITY LAWFULLY AND WITH INTEGRITY

**This Code addresses some of the key areas of law that govern our commercial activity; however, the Code is not intended to address all the laws that may apply to our activities nor does it necessarily provide complete guidance for those areas of law covered. You should always ensure you understand the law and business requirements that apply to your role.**

## Antitrust and Competition Laws

Our fundamental market-based philosophy strongly supports free markets. We believe free competition in the marketplace benefits all of us as consumers. Antitrust and competition laws exist to protect that competition. We succeed by the economic means because we successfully compete in the market place – we provide customers with outstanding value for their money.

Certain conduct that might inhibit fair competition between competitors is illegal in the United States and most countries where we do business. In general, competing companies cannot reach agreements with each other which would tend to reduce competition. Therefore employees must never come to agreement with competitors:

- To fix prices or other terms of sale.
- To allocate or divide customers or markets.
- To limit products or services.
- On competing bids or solicitation of contracts.
- To use of suppliers.
- To boycott a customer or supplier.

Antitrust laws also cover agreements that may restrict labor practices. You must not agree to not hire employees from other organizations unless that agreement is with a service provider under a contract that has been reviewed by the legal department.

## Question

In developing our marketing strategy, it helps to have as much information as we can get on what our competitors are doing. Is it okay simply to call our competitors and ask for their price lists or information about their production costs?

## Answer

No. You should get “competitive information” from the marketplace (customers, suppliers and public sources), not from competitors. Any “benchmarking” studies where information will be collected from or given to a horizontal competitor (including a competing employer) must be approved by the legal department. This is true whether the study is conducted internally or through a third party.

## Question

My neighbor owns a small business in the same town where I'm the plant manager. He commented last night at a neighborhood party that the price of entry-level workers in our town is out of control. He asked me if we'd agree to start our people at the same rate. Can we do that?

## Answer

No. Just as you cannot agree to fix sale prices, you also cannot agree to set prices on goods or services we purchase with those who purchase similar goods or services; wages, salaries or benefits are all considered parts of the overall purchase price for labor services.

An action does not always have to be written or even spoken to be considered an agreement for antitrust purposes. In some cases, non-verbal actions, such as signaling or saying nothing when inappropriate items are discussed between competitors, constitutes an agreement.

Other types of conduct that may be illegal and require prior review by the legal department are:

Total requirements contracts.

Agreements to set wages, benefits or salaries.

Direct solicitation of wage information.

Exclusive dealing arrangements.

Tying or bundling together different products and services.

Charging similarly situated customer's different prices for the same products at similar times and for similar volumes.

Non-competition and non-solicitation agreements.

Never discuss with competitors such things as prices, sales or other discounts, who will serve what markets, or any other commercial matter on which the parties compete. In circumstances where contact with competitors does occur, such as trade associations, limit discussions to permissible subjects. Before attending any meeting where competitors will be present, be sure to know the antitrust rules well. Always be prepared to state your objection and walk away from meetings and discussions if an inappropriate discussion occurs.

Antitrust and competition laws are vigorously enforced. You must contact the legal department immediately if you believe any employee has had inappropriate contact with a competitor, or a competitor has made a proposal that is inappropriate under competition laws.

## Business Inducements

Sales-related commissions, rebates, discounts, credits and allowances are customary business inducements, but careful attention is needed to avoid illegal or unethical payments and to ensure compliance with various currency exchange controls and tax regulations. Such business inducement payments must be reasonable in value, competitively justified, properly documented and made to the business entity to whom the original sales agreement or invoice was made or issued. They must not be made to individual officers, employees or agents of the business entity, or to a related business entity, and they should only be made in the country of the entity's place of business.

Similarly, commission payments related to company purchases of goods and services should only be made to the seller or provider in the country of their place of business or in the country in which the product was delivered or service rendered.

## Marketing and Advertising

Many of the legal jurisdictions in which our company operates have enacted laws and regulations that apply to marketing, advertising, promotional materials and methods to use these materials for promoting the sale of goods and services. (We refer to these collectively as “promotional activities.”) These laws generally pertain to the truth and accuracy of representations to the public about products and services the company offers. They may also cover practices for comparative claims to competitor products or services, deceptive practices, standards of “decency,” and requirements to protect the privacy of individuals or personal data. The laws and regulatory practices cover a wide range of representations in any format — written, printed, visual, audio or electronic.

### Question

**Our competitors are often either our customers or our suppliers. What discussions with competitors are proper in a buyer-seller context?**

### Answer

Genuine buyer-seller discussions are appropriate. For example, you may provide a competitor who is a potential customer for a product with information about that product. Take care to limit discussions with a competitor to the products or services you are buying or selling. If possible, limit who participates in the discussion (e.g., company sales representatives should not be a part of most purchasing discussions). You should not talk about resale prices, margins or which one of you will sell to particular customers. It is a good idea to check with company legal counsel before dealing with any customers or suppliers who are also competitors.

## Question

Next week I am attending a trade association meeting where competitors may be present. If the talk turns to the state of the market and where people expect prices to go, is it okay to participate in the discussion?

## Answer

No. You should not participate in or remain at a trade association meeting of competitors at which current or future prices are discussed. Clearly voice your objection to such discussions, leave the meeting if the discussion continues despite your objection, and report the incident to the legal department. There might be instances at larger trade shows where independent third parties, such as consultants or industry analysts, might permissibly make such presentations, provided they are speaking for themselves and not on behalf of any competitive producer.

## Question

What if a trade association, of which we are a member, wants to collect historical information from members? Can we participate?

## Answer

There are permissible ways for associations to collect historical data. Contact legal for guidance before providing any company commercial data to an association.

You must ensure that promotional activities are managed in compliance with applicable laws and that promotional activities do not contain:

False or misleading statements or exaggerations, either visual or verbal.

Inaccurate testimonials that do not reflect the real opinion of the individual(s) involved.

Price claims that are misleading.

Comparisons that unfairly disparage a competitive product or service.

Material that could be considered offensive to the potential audience.

You must also ensure performance claims or other product claims in promotional activities are appropriately substantiated and documented. As always, INVISTA's intellectual property must be protected and the intellectual property rights of others respected.

## Money Laundering Laws

Money laundering is the process by which the proceeds of illegal activities are moved through legitimate businesses and world banking systems to disguise their illegal source. Money laundering laws require us to implement procedures to ensure that financial transactions are legitimate and do not include parties that may be involved in unlawful activities.

Be alert to transactions that are out of the ordinary, such as payments from unknown sources that involve cash, or that have unusual terms for payment. These could be funds involved in a money laundering process.

We must verify the identity of counterparties to business transactions and screen them to ensure they are legitimate. This can require obtaining basic background information, particularly with respect to the client's business, source of income, expected level of activity and the reason for the activity.

If your job responsibilities include dealing with financial transactions, you should be familiar with the applicable laws and company standards.

## Customs Laws

Customs laws require the company to determine the correct classification, value and country of origin of all of its imports. These laws apply to intra-company transfers as well as third-party transactions. As an importer, we must be able to demonstrate by a documented, auditable trail that the company exercised reasonable care in ensuring that its imports comply with all applicable laws. This requires, at a minimum, the reporting of true, accurate and complete information regarding any imported product, its place of manufacture and its full value. While specific rules may vary, virtually all countries in which we do business share these requirements.

## Export Controls and Trade Sanctions

Many countries, including the United States, have export controls and trade sanctions that restrict economic activities with specific countries, individuals and entities and limit the export or re-export of specific products and technologies. This may be for national security, non-proliferation, drug enforcement and general foreign policy reasons. Among other trade controls, certain U.S. laws prohibit or limit U.S. persons and companies (including their foreign subsidiaries in some cases) from conducting business with sanctioned countries, individuals and entities.

## Question

**A competitor tells me that “we’re killing each other by trying to take away each other’s long-standing customers with low prices.” She suggests that both firms will be better off if they stick to their own customers. I think that she may be right. How should I respond?**

## Answer

**You must not enter into agreements or understandings with competitors to allocate customers, territories or product lines. Such agreements, like price-fixing agreements, can result in criminal prosecution. Even suggestions to competitors to fix prices or allocate customers may result in a criminal investigation. Any offer to participate in such an agreement must be immediately and clearly rejected. Immediately contact the legal department to report the competitor’s request. However, it is legal to make an independent decision to bid (or decline to bid) customers, as long as the decision has not been discussed with competing suppliers.**

All counterparties to transactions must be screened to ensure compliance with these laws. If you are involved in export or international transactions, you should be familiar with the applicable laws and company standards.

## Question

May I provide a certificate of origin, required by my customer in the United Arab Emirates, confirming that none of the components in our products to be supplied are of Israeli origin?

## Answer

You may violate U.S. anti-boycott laws if you provide such confirmation, called a “negative certification”. Such a request must be reported to the U.S. government. Anti-boycott laws are very complex. You must consult the legal department if you receive such a request.

## Commodity Trading

The company may engage in commodity trading, defined as the purchase or sale of commodities or commodity futures or derivatives with the primary intent of benefiting from managing or absorbing market risks.

If your job responsibilities include commodity trading activities, or activities that support commodity trading, you should be familiar with the applicable laws and company standards. Just trading in or with counterparts in some countries can bind you in the laws of that country.

Reporting prices to any parties external to the company for commodity transactions is also governed by certain laws and company standards. You may not report prices unless you have been trained and given specific authority to do so.

## Anti-Boycott Laws

INVISTA conducts business in many different countries which may have anti-boycott laws. A boycott occurs when a person or group of people refuse to do business with certain other people or countries.

U.S. anti-boycott laws generally prohibit U.S. companies and their non-U.S. subsidiaries from cooperating with international boycotts that the United States government does not sanction. You must not cooperate with any boycott that is not sanctioned by U.S. law and approved by the legal department.

The company has an obligation to report boycott activities to the U.S. government. All employees must immediately inform the legal department of any requests received to engage in improper boycotting activity.

# GUIDELINE

## Options for Asking Questions, Raising Concerns, and Getting Guidance

Your immediate supervisor

Any member of management

Any local or corporate human resources leader

Any compliance and ethics representative

Any lawyer in the legal department

Call the **GuideLine** or visit [www.ethicspoint.com](http://www.ethicspoint.com)

INVISTA's GuideLine appropriately addresses the use, retention, transfer, disclosure and protection of any personal information contained within, including responsible and lawful collection and disposal.

# GUIDELINE

Country	Direct Access - two step dialing* first dial                      then dial	Internal Toll Free Service (ITFS)	Collect Call to U.S.
<b>North America</b>			
U.S.		888.560.5672	
Canada		888.560.5672	
<b>Asia Pacific</b>			
Australia	1.800.881.011 (Telstra)    888.560.5672 1.800.551155 (Optus)		
China		10.800.110.0483	503.748.0491
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<b>Latin America</b>			
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Colombia		01.800.9.155949	503.748.0491
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## COMPLIANCE ETHICS

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