



CODE OF ETHICS

Lumag Ltd.

Every company is only as good as its employees

Introduction

The purpose of the Code of Ethics is to oblige LUMAG Employees to act ethically and promote ethical behavior in business, shape the proper working environment culture within the Company and between the Company and its environment.

- The basic principles of ethics are:
 - ❖ honesty and openness
 - ❖ responsibility
 - ❖ moral rectitude
 - ❖ mutual respect and dignity
- A fundamental assumption of ethical conduct is the requirement to consciously and unequivocally commit to responsible conduct in every situation in an honest, fair, and responsible manner.
- The Code covers the main rules of conduct for all LUMAG Employees in the field of broadly understood social and business ethics, ensuring the fulfillment of the Company's mission and the implementation of its development strategy and customer satisfaction.
- This Code has been developed based on generally accepted rules of social coexistence and does not exhaust all the rules of ethics. It defines the most important values LUMAG follows concerning its employees, as well as partners, customers, competitors, and local communities.

The Management Board and Employees of LUMAG undertake to comply with the highest ethical and professional standards contained in the Code of Ethics and will make every effort to ensure that this Code is the foundation of LUMAG's business and social activities.

Marek Żak

The President of Lumag Ltd.

Management Board

Budzyn, December 10, 2014

Company Ethics and IMS Policy

This Code has been developed based on the IMS and OHS Policies.

- The overriding objective of the IMS Policy is the continuous development of friction materials and manufacturing technologies by the applicable social and environmental rules.
- The overriding objective of the Health and Safety Policy is to protect the health and life of Employees through continuous action for safe and hygienic working conditions.

The Code consists of principles that are defined in the following categories:

- Honesty and respect in business
- Customer Satisfaction
- Employee Ethics
- Counteracting corruption and conflicts of interest
- Social and natural environment
- Commitment

Honesty and respect in business

Integrity and respect are the two core values on which our Company culture is based.

- We do not use unethical and illegal business practices, which is why we are respected not only because of our business achievements but above all because we are honest.
- All LUMAG Employees, regardless of where they are and what they do, must act by the principle of honesty in all transactions with business partners, customers, associates, and suppliers.
- All transactions on behalf of LUMAG are reliable and duly reflected in the books of accounts, by applicable laws and internal procedures, and standards.

- We expect our business partners to cooperate with us on a fair-play basis and condemn unfair practices.
- All information that is not in public circulation is protected, even if no formal confidentiality obligation has been formulated for it. This rule applies equally to information about LUMAG and its Employees, as well as information about business partners and third parties.
- Confidential information may include trade secrets, business plans, forecasts, marketing programs, sales programs, customer lists, price changes, product technical data, personal information about Employees, companies, etc.
- It is forbidden to obtain and disseminate confidential information obtained from a third party, taking into account the risk of unintentional disclosure of the information obtained during official duties.
- Competing in the market requires gathering information about competitors. LUMAG collects information about competition from a legal source.
- LUMAG attaches great importance to protecting its image and reputation.
- LUMAG employees use social media responsibly. They bear full responsibility for posting content referring to the Company that could negatively affect its image.
- LUMAG employees resolve conflict situations

Customer Satisfaction

Customer satisfaction is of paramount importance to us.

- Our clients are treated with the utmost care.
- LUMAG strives to meet customers' expectations and provide them with maximum satisfaction with the products and services offered.
- As a reliable business partner, we strive to always:
 - ❖ act honestly,
 - ❖ keep commitments written in contracts and verbal promises,
 - ❖ keep appointments and appear on time, while respecting the applicable dress code,
 - ❖ ensuring amicable resolution of any disputes arising in the context of the performance of contracts.
- We admit mistakes and strive to correct them.
- We do not provide third parties with information on the scope of cooperation with the client. We respect the confidentiality of information from our business partners.
- LUMAG undertakes to pay its obligations to suppliers and contractors within the agreed time and by the agreed terms.

Employee Ethics

Compliance with ethical standards in the workplace is one of the basic sources of the Company's stability and success. We believe that creating a favorable atmosphere in the workplace leads to strengthening the ties between employees and the company and is conducive to the effectiveness of all activities.

- LUMAG employees undertake to act ethically and actively respond to any manifestations of unethical behavior. In their work, they are guided by the principle of full responsibility for their actions.
- Employees of LUMAG, before making any commitments, make every effort to ensure that the interests of LUMAG are duly secured in the obligations incurred and the provisions of contracts.
- LUMAG employees are obliged to follow common sense in their conduct so that the company's assets are not misused or misappropriated.
- Employees have a responsibility to be alert to theft, fraud, and other fraudulent activities and to report them promptly and at all times.
- LUMAG protects the personal data of its Employees. Employees have the right to protect their privacy.
- Relations between Employees, regardless of their positions, are a model of good manners, partnership, honesty, loyalty, mutual trust, respect, and respect for personal dignity.
- In stressful moments, we always try to control our emotions, guided by the principle of professionalism.
- While performing our duties, we help each other effectively by sharing knowledge, experience, and information.
- We promote actual authors of successes. We do not attribute the merits of others to ourselves.

- We promote the substantive nature of discussions and identify better solutions instead of harsh criticism, but we are not afraid of expressing and accepting constructive criticism, seeing it as an opportunity for improvement.
- We are focused on permanent personal development and the development of our company, raising its rank and strengthening its position in the market.
- We support equal opportunities for every Employee and Candidate an employee at all stages of the recruitment process and we prohibit any form of discrimination.
- Employees of LUMAG, expecting timely payment of remuneration for work from the company, thus undertake to pay all their liabilities on time and prevent forced deductions from their remuneration for work.

Counteracting corruption and conflicts of interest

We do not condone the giving or receiving of bribes or other unlawful payments in any form.

- LUMAG employees politely but firmly refuse to accept any financial benefits. They remember that the adoption of a token of gratitude may make the recipient feel obligated, potentially affecting the objectivity of their decision.
- LUMAG employees do not accept, directly or indirectly, during the performance of their official duties and in connection with them:
 - ❖ money,
 - ❖ gifts,
 - ❖ services,
 - ❖ other benefits

from representatives of companies cooperating with LUMAG, or from any persons or organizations that could induce them to take or not to take certain actions or facilitate certain actions as part of their official duties.

- Any gifts given to Employees without their knowledge remain the property of the company unless their return is possible.
- It is forbidden for LUMAG Employees to offer material benefits to a given company or to persons related in any way to LUMAG's business.
- It is forbidden to initiate and hide corrupt activities against LUMAG customers under the cover of artificial marketing activities.
- LUMAG employees avoid situations in which the objectivity of their business decisions could be questioned. In particular, this applies to external obligations and private relationships. Employees are required to inform their supervisors in advance of their affiliations with persons/companies that are suppliers or customers of the company. In this way, the objectivity of the decision will not be questioned.

Social and natural environment

We believe that any initiatives that increase the well-being of society make economic sense.

- We recognize charity as an important manifestation of social responsibility and we support philanthropic attitudes among employees.
- LUMAG cares for the children of the Children's Home in Szamocin who need support.
- We care about applying rigorous standards regarding the safety of Employees and third parties staying on the company's premises. We provide all Employees with training to make them aware of their active role in preventing accidents and adequate responsibility.
- We respect nature in our surroundings. We take care of the state of greenery and conduct rational management of raw materials.

We save:

- ❖ electricity,
- ❖ gas,
- ❖ water,

and segregate waste.

- We strive to reduce pollutant emissions and noise levels.
- We implement and improve activities related to recycling and waste disposal. We are committed to using optimization techniques to increase the safety and sustainability of our processes while reducing the consumption of raw materials.
- We encourage our suppliers to apply the principles of safety and environmental protection and treat these principles as a criterion for the development of their activities.

Commitment

- Ethical standards applicable at LUMAG are universal and apply to all Employees, regardless of their position in the Company.
- The Management Board and Employees of LUMAG undertake to comply with the highest ethical and quality standards, without any compromises.
- Employees must familiarize themselves with the requirements of this Code and actively respond to any perceived manifestations of unethical behavior.
- All violations of the Code are referred to the head of the HR department, who is obliged to conduct an investigation and take appropriate corrective actions.