

### P C Avoiding Conflict of Interest

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## **I. SCOPE OF APPLICATION**

This Policy applies to all members of the Board of Directors of OC Oerlikon Corporation AG, Pfäffikon (“Directors”) and to the employees (“Employees”) of one of its direct or indirect subsidiaries (together “Oerlikon”).

## **II. PURPOSE**

Business judgments and decision at and on behalf of Oerlikon must be made in the interest of the company and must never be influenced by personal or private interests.

This Policy aims to protect the interests of Oerlikon. At the same time it intends to support Employees and Directors in identifying and properly managing conflicts of interests involving the company. Oerlikon recognizes and respects the privacy of its Employees and Directors regarding financial and other activities outside their jobs. However, those activities must not compromise Employee’s and Director’s loyalty to Oerlikon.

## **III. DEFINITION OF CONFLICT OF INTERESTS**

A conflict of interests is defined as an actual or potential situation where a private interest of an Employee or Director collides with the interests of Oerlikon thereby compromising the Employee’s or Director’s loyalty to Oerlikon. In particular such influence occurs if an Employee or Director is engaged or involved in any activity which may appear to

- conflict with Oerlikon’s business interests,
- have a negative impact on Oerlikon’s good reputation, or
- affect the fulfillment of his/her contractual or legal duties and responsibilities towards Oerlikon.

## **IV. MANAGING CONFLICT OF INTERESTS**

All Employees and Directors are obliged to safeguard Oerlikon’s business interests and are required to be fully transparent with respect to Conflicts of Interests.

### **1. Principle Rule “avoid”**

Circumstances that create or could create a conflict of interests should generally be avoided.

Conflict of interests may arise in a wide variety of situations and, consequently, cannot be enumerated exhaustively. However, the following rules aim at avoiding conflict of interests. Every situation which could result in or could be seen as a conflict of interests has to be analyzed and disclosed.

### **1.1 Financial Interests in Third Parties**

The Employees and Directors must not have a direct or indirect financial interest in an outside third party business which has any commercial relationship with Oerlikon be it as a supplier, customer or direct competitor. The same principle applies to the Employees' and Directors' spouses, children, siblings and/or parents, hereafter referred to as "Closely Related Persons".

The term „financial interest“ includes but is not limited to:

- Securities (e.g. ownership of capital stock or holding bonds),
- Partnership,
- Beneficial interest through a fiduciary structure, or
- Any other type of financial relationship or proprietary rights.

Financial interest, for the purpose of this Policy excludes investments in Oerlikon securities, deposits in and loaning to financial institutions, investments of less than 3% of a publicly held corporation's outstanding stock together with any of the same class securities owned or held by an employee's Closely Related Persons, interest of less than 5% of the stock or other equity in a privately held company together with the employee's Closely Related persons, investments in mutual funds or diversified portfolios.

### **1.2 Benefits from Third Parties**

Employees, Directors or their Closely Related Persons may not solicit, accept or receive a commission, fee, loan or other benefits from any actual or potential business partner of Oerlikon if not allowed by the applicable Anti-Corruption and Anti-Bribery Directive. However, this provision does not apply for personal loans from financial institutions or consumer lenders in the ordinary course of business.

### **1.3 Holding a position of Officer or Director of Third Parties**

Employees should not hold any of the following positions at any outside firm or organization without prior approval from the direct superior and report to Human Resources. Directors should disclose any of the following to the Corporate Secretary:

- Officer or director of a family business, or a privately held company, or
- Officer or director of a company in which Oerlikon has less than a majority ownership except when representing or acting for Oerlikon.
- Officer or director of a publicly-traded corporation, commercial bank, banking institution or other outside business organization.
- Officer or member of a Trade Association with the risk of violating Anti-Trust laws.

**1.4 Competition and transactions with Oerlikon**

An Employee or Director must not compete with Oerlikon, neither directly by establishing its own business nor indirectly through a third party.

Employees must furthermore not undertake any non-competitive business activity beyond their employment with Oerlikon without prior approval by the direct superior and report to Human Resources.

**1.5 IPO Shares**

Employees/Directors shall not purchase "Friends and Family" stock in an initial or secondary public offering (IPO) company that has any relationship with the Employee's or Director's Oerlikon business activities, unless it is disclosed to and approved by the direct superior/Corporate Secretary once it is evidenced that the relationship does not impact the Employee's/Director's duties and responsibilities. The same principle applies to the employee's or Director's Closely Related Persons.

**1.6 Staffing decisions on Closely Related Persons**

An Employee or Director must not influence (in a position with direct authority or indirectly) Oerlikon's decision-making process on hiring, lay-off, promotion or salary decisions of any of its Closely Related Persons.

**1.7 Personal use of Oerlikon's Property**

Employees and Directors should not use or permit others to use Oerlikon's time, personnel, equipment, services, supplies or good will for personal purposes or benefits.

**2. Principle Rule "disclose"**

In case an Employee or Director has to assume being in a conflict of interest, such Employee or Director must disclose the conflict of interest immediately.

**2.1 Employee's disclosure**

Such Employee must disclose the conflict of interest to his/her direct superior by using the Conflict of Interests Disclosure form (see appendix 1).

**2.2 Director's disclosure**

Directors must disclose the conflict of interests to the Corporate Secretary.

**2.3 What to disclose**

Regardless of the type of employment relationship, any Employee's sideline jobs must first be submitted to the direct superior for approval and reported to Human Resources.

Directors shall disclose any of their engagements with third parties which have any commercial relationship with Oerlikon be it as a supplier, customer or direct competitor to the Corporate Secretary.

If Employees/Directors receive salaries, fees, honoraria, royalties, gifts, or other financial benefit from contributions to (or work on) books, articles, lectures, participation on

committees, or other activities in which they draw on the reputation, experience, or information of Oerlikon they must make the same transparent to their direct supervisor/the Corporate Secretary respectively.

### **3. Principle Rule “approve”**

#### **3.1 Approval of Employee’s Conflict of Interest**

Unless provided otherwise by the employment agreement the direct superior will decide on the permissibility of the activity, any necessary safeguards, in particular, the removal of the Employee from the specific decision-making process or any other measure. The superior should consult with the Segment Compliance Coordinator or the Head of Group Compliance in case of any uncertainties.

#### **3.2 Approval of Director’s Conflict of Interest**

In accordance with Oerlikon’s Organizational and Governance Rules, Chapter on Conflict of Interest, and unless provided otherwise by the Director’s contract, the Chairman of the Board of Directors (or in case the conflict of interest applies to the Chairman him/herself, another Director of the Board) of Oerlikon in consultation with the Corporate Secretary will suggest any activity or necessary safeguards in order to resolve the conflict of interests. The suggested measures shall be presented to and discussed with the Board of Directors excluding the Director potentially conflicted and a corresponding decision shall be taken.

## **V. IMPLEMENTATION**

Managers are required to support Employees in case of questions regarding this Policy or interpretations of its rules. Human Resources should verify the absence of any conflict of interests at hiring and promotion.

## **VI. APPENDIX**

### **1. Conflict of Interests Disclosure Form**