



KNOWLTON DEVELOPMENT  
CORPORATION

## KNOWLTON DEVELOPMENT CORPORATION ("KDC")

### CODE OF BUSINESS CONDUCT AND ETHICS

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#### 1. PREAMBLE

KDC greatly values the confidence and trust of its customers, investors and other partners.

Compliance with all laws, rules and standards as well as ethics and integrity, must guide its business conduct at all levels, which is why the KDC adopted this Code of Business Conduct and Ethics (the "**Code**"). The Code is not exhaustive and does not replace obligations imposed by law. It rather aims at supporting and guiding our directors, members of management and employees and at demonstrating KDC's expectations in terms of ethics and integrity.

Throughout this Code, "**KDC**" refers to Knowlton Development Corporation and all its subsidiaries.

#### 2. APPLICATION AND INTERPRETATION

The culture of a company lies in the sharing of common values by a team, and for this reason, the Code applies to all of the KDC's directors, members of management and employees.

This Code shall be read in conjunction with the Whistle Blowing Policy, which are adopted and amended by KDC from time to time (these policies are available on the KDC's information system network).

In addition, specific rules apply depending upon functions occupied within KDC. For example, directors shall comply with rules laid out in the mandate of the Board of directors and in the mandates of other committees on which they serve. For additional information on this matter, directors are asked to consult with the Chairman of the Board of directors or KDC's Corporate Secretary. Members of management and employees must comply with obligations laid out in their employment contract and any other signed agreements such as the confidentiality agreement, in the employee handbook, as well as the ethical rules and good practices applicable in their field of expertise. For additional information regarding this subject, members of management and employees should consult their immediate supervisor or the KDC's Human Resources Department at your location.

Should a director, the Chief Executive Officer or the Chief Financial Officer, or persons acting in those capacities, become aware of any violation of this Code, he shall immediately inform the Chairman of the Board of Directors who will then submit an analysis of the situation to the Board of Directors or to one of its committees. Should a member of management become aware of any violation of this Code, he shall

immediately inform the Chief Executive Officer, the Chief Financial Officer or the persons acting in those capacities or, in accordance with the Whistle Blowing Policy, the Chairman of the Audit and Risk Management Committee. Lastly, should an employee be aware of any violation of the Code, he shall immediately inform the Corporate Secretary, the Chief Executive Officer, the Chief Financial Officer or the persons acting in those capacities or, in accordance with the Whistle Blowing Policy, the Chairman of the Audit and Risk Management Committee. List of contact is outlined on Schedule B.

No disciplinary measures will be applied nor will KDC tolerate retaliation of any kind towards a director, a member of management or an employee, who in good faith and in accordance with the previous paragraph, reports any violation or a situation appearing to be a violation of this Code.

### 3. EXISTING OR POTENTIAL CONFLICTS OF INTEREST

At all times, directors, officers, managers and employees shall carry out their functions in KDC's best interest and shall avoid putting themselves in a situation of an existing or potential conflict of interest.

#### What is a Conflict of Interest?

An existing conflict of interest, whether actual or apparent, arises when the loyalty or actions of a director, a member of management or an employee may be divided between KDC's interests and **(1)** his or her own interests or those of a spouse, relative, friend; or **(2)** the interests of a competitor, a partner, a supplier, a customer; or **(3)** the interests of a non-profit organization such as associations and political or charitable organizations.

A potential conflict of interest arises when a third party could have reasons to believe that a director, a member of management or an employee is in conflict of interest.

The Chief Executive Officer, the Chief Financial Officer or the persons acting in those capacities have authority to assess if a situation is an existing or potential conflict of interest and, should the case arise, to ensure that the risk associated with such situation is properly managed. Examples of situations that may be considered existing or potential conflicts of interest are given below.

#### Examples of existing or potential conflicts of interest (non-exhaustive list)

An existing or potential conflict of interest may arise in the following situations and would have to be managed:

- § If a director or member of management holds directly or through a spouse, relative or corporate body, securities of any competitor, supplier, partner or customer, unless the overall securities represent a minimal portion of the securities in circulation of the said competitor, supplier, partner or customer, and that the overall securities held by competitors, suppliers, partners or customers represent only a very small portion of the overall assets held by the director or member of management.

- § If a director, a member of management or an employee uses exclusive or confidential information for its own personal or third parties purpose in contravention of KDC best interest;
- § If a director, a member of management or an employee carries on a business relationship, directly or through a spouse, relative or corporate body, or holds financial interests with a competitor, supplier, partner or customer of KDC;
- § If a director, a member of management or an employee uses his or her position at KDC to obtain personal advantages or offer advantages to a spouse, relative or friend;
- § If a director, a member of management or an employee purchases directly or through a spouse, relative or corporate body, assets of any kind with the intention of selling or leasing them to KDC;
- § If a director, a member of management or an employee pursues directly or through a spouse, relative or corporate body, a business opportunity that is intended for KDC or foreseen by KDC itself;
- § If a director, a member of management or an employee offers, solicits or accepts gifts, favours or incentives in excess of customary industry meals and events related to his position at KDC;
- § If a director, a member of management or an employee participates in any activities that could be detrimental to the interests, image or reputation of KDC. Furthermore, if a director, a member of management or an employee involved in political activities or any other kind of association or group in which he or she is called upon to take actions or take a position, does not insure at all times that the public clearly dissociates these actions and positions from KDC unless he or she has obtained previous written consent from KDC and acts within the limitations of the support obtained;
- § If a director, a member of management or an employee uses assets, manpower or the name of KDC for personal purposes;
- § If a director, a member of management or an employee holds another job or responsibilities that interfere or could interfere with his or her work at KDC.

## 4. Health and Safety

Working safely is a condition of employment at KDC and cannot be compromised. It is everyone's responsibility to follow the local safety procedures and practices defined in the local Safety Handbook. Furthermore, all Employees (permanent and temporary) have a duty to report all unsafe condition or behaviours, near-miss incidents, property damage and all on the job injuries or illness to their immediate supervisor or to the safety champion.

Failure to immediately report safety violation may lead to corrective action up to and including termination.



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## **5. OBSERVANCE OF LAWS, RULES AND STANDARDS**

Given its field of activity and the fact that it is a leading player in its industry having institutional investors, KDC is subject to several complex and constantly evolving laws, rules and standards. The directors, members of management and employees shall maintain a reasonable level of knowledge of laws, rules and standards that apply to their function at KDC. In case of doubt with reference to the application and interpretation of these laws, rules and standards, directors, members of management and employees must refer to KDC's Corporate Secretary.

## **6. INFORMATION MANAGEMENT**

### **Protection of Confidential Information**

The directors, members of management and employees are bound to KDC by a confidentiality obligation, and, as the case may be, under the terms of their employment contract, the Code of Business Conduct and Ethics that particularly applies to their occupation as well as the Confidentiality agreement and policy concerning inventions they signed with KDC. They also have to comply with any instructions and guidelines from KDC.

### **Integrity of Disclosed Information**

When allowed to disclose information, Information disclosed by directors, members of management and employees to regulatory authorities, to the market and to customers, shall be true, exact and complete.

## **7. ACKNOWLEDGMENT**

Upon being hired, all employees and directors are requested to electronically sign the Code of Business Conduct and Ethics as an acknowledgement of having reviewed it and confirm compliance. In addition, all employees sign and acknowledge compliance when modifications are made to the content of the Code. Otherwise, the Code of Business Conduct and Ethics is shared with all Employees on an annual basis by email and posted on the HR bulletin boards.

