

MELAMIN'S CODE OF CONDUCT

INTRODUCTION

Melamin is active in manufacturing of amino resins, insulation materials and impregnating of decor paper and textile materials. In Melamin we cherish values such as integrity, responsibility, trust and ethics and are at the same time aware of our engagement in the environment and society.

With all above having deeply in our minds, we are responsibly acknowledging our ability to positively contribute to the better and more sustainable world. By this document we are setting this Code of Conduct with few aspects openly stated in order to clarify their significances and prevent their misunderstanding. Code of Conduct applies for all employees of the company.

LEGAL COMPLIANCE

Melamin, having production site in Kočevje, Slovenia, but actively being present with its products and services on a global scale is subject to a wide range of legal requirements and obligations. We commit ourselves to comply with the laws and regulations applicable in all of the countries in which we are active. Naturally, legal systems are often highly complex and change in time, but still, we do our utmost best to keep track of laws and regulations that relate to areas of our responsibilities. In case of uncertainty, we seek appropriate advice on relevant legal issues.

BUSINESS ETHICS

Melamin shall compete for business honestly and uphold the highest standards in business ethics. We respect antitrust and fair competition laws that prohibit certain actions that are unfair and dishonest. We are committed to act in accordance with fair business, marketing and advertising practices.

SUSTAINABILITY AND ENVIRONMENT

We take great care to environmental issues within our business activities. We support long-term sustainable development and precautionary approach to environmental challenges. With our day-to-day activities we tend make a substantial contribution to the sustainable use of resources, environmental protection and climate protection. With continually aligning of our production processes we are endeavoured to - according to environmental soundness – lower the specific use of non-renewable natural resources. We will fulfil or exceed environmental demands in laws, regulations and international conventions applicable to our working and living environment.

HUMAN RIGHTS AND WORKING PRACTICES

We believe it is important to support and respect the protection of internationally proclaimed human rights, e.g. Universal Declaration of Human Rights (in Appendix), within the sphere of our influence, promoting diversity and equality and at the same time not to be implicated in any human rights abuses.

It is in our utmost interest that all employees are treated equally, have equal opportunities and are not to be subjected to discrimination based on ethnic or national origin, nationality, skin colour, creed, marital status, gender, sexual orientation, religion, political opinion, social origin, disability or union membership. All employees should be treated with respect and dignity and not be subjected to any discrimination, abuse or

harassment. All employees should know the basic terms and conditions of their employment. Salaries, including overtime and benefits, shall equal or exceed local legal and industry minimum standard. All employees shall be free to join associations of their own choice and shall have the right to collective bargaining.

We oppose to use child labour. All of our employees and other personnel must be at least 16 years of age or have reached national school-leaving age upon completion of compulsory schooling, whichever is higher. The minimum age for hazardous work is 18 years of age.

We also do not accept or make use of any form of forced labour. At the same time, we do not tolerate working conditions or treatment that are in conflict with international laws and practices. All our activities must be conducted with respect for employee health and safety. All employees shall be provided with a safe and healthy working environment. We should take appropriate action to prevent workplace accidents or illnesses.

COMMUNITY INVOLVEMENT

All our activities must be conducted with respect for the well-being of the local communities in which we operate. Melamin will maintain a neutral position with respect to political parties. We encourage our employees to participate actively in the communities in which they live and work and to propose local community involvement projects to the management.

RELATIONSHIPS WITH BUSINESS PARTNERS

We treat our business partners in a professional, polite and respectable manner. We resolve open issues proactively and in time. We try to be involved in relations with those business partners who promote similar values and follow similar rules as we do.

With agreements with our business partners we constantly seek for win-win situations. We accept only such compromising agreements that create proper cross section between partner's expectations and our rules, policies and ethics.

CONFLICT OF INTEREST, GIFTS, BRIBES AND MONEY LAUNDERING

Business decisions in Melamin must be based in best interest of Melamin rather than personal considerations or relationships. All employees must avoid activities, which lead to conflicts of interests.

None of the employee may, directly or indirectly, demand or accept, offer or give any kind of bribe, kickback, present or other unlawful benefits. Any such offer or proposed arrangement must immediately be reported to the management. No personal gifts or favours of such commercial value that could influence a buying decision and/or may lead to a relation of dependency can be made to or accepted from a third party. In case of any doubt, a superior has to be consulted.

Melamin will not tolerate or enter into any arrangement, which appears to be or is suspected to be an acquisition, retention, use or control of any property or money that would be contrary to Anti Money Laundering laws and regulations.

COMPANY PROPERTY USE

Employees use the corporate property of Melamin with due care and responsibility. Unless otherwise permitted employees use the company property only within our sphere of business activity.

CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS

We do not disclose any medical information about our employees. Neither do we believe there is any justification for asking job applicants or employees to disclose personal medical information beyond the medical data required to ensure suitability for the job. All personal medical information is treated as confidential.

Melamin has acquired and developed valuable intellectual property, including patents, trademarks, copyrighted works, trade secrets and know-how. Employees have a responsibility to protect these assets confidential and not to disclose them. Employees must take active measures to avoid unauthorized disclosure of confidential information.

All information obtained at work should be considered confidential unless it is freely and publicly available. Confidential information should only be used for its intended purpose and never be disclosed to anyone other than colleagues or other authorized people from the side of the management who have a justified need-to-know base. The obligation to keep information confidential continues even after an employee leaves Melamin.

ACCOUNTING, BOOKKEEPING & FINANTIAL REPORTING

All business transactions and payments within Melamin must be recorded in a timely and accurate manner. We follow strict accounting principles and standards and have appropriate internal controls and processes to ensure that accounting and financial reporting comply with all applicable laws and regulations.

COMPLIANCE

Melamin supports open and fair discussion of all issues and worries. Employees are expected and encouraged to report about any incident of non-compliance with Code of Conduct. The non-compliances are determined and judged by Ethical Committee. Failure to comply to this Code of Conduct may result in disciplinary actions.

Kočevje, 30.5.2016

General Manager
Srečko Štefanič



THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Corporate sustainability starts with a company's value system and a principled approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Global Compact principles into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

The UN Global Compact's Ten Principles are derived from:

- the Universal Declaration of Human Rights,
- the International Labour Organization's Declaration on Fundamental Principles and Rights at Work,
- the Rio Declaration on Environment and Development,
- the United Nations Convention Against Corruption.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.