

ETHICS **LOYALTY** **VALUES** **INTEGRITY** **HONESTY** **COMPLIANCE** **ETHICS** **INTEGRITY** **VALUES** **HONOR**
LOYALTY **HONOR** **TRUST** **COMMITMENT** **COOPERATION** **COMMITMENT** **REPUTATION** **LOYALTY**

THE IMC COMPASS:
 GOOD BUSINESS CONDUCT
 AND ETHICS CODE



IMC
 INT'L METALWORKING CO.

COMMITMENT

REPUTATION

VALUES
HONOR
LOYALTY



IMC

INT'L METALWORKING CO.



ISCAR
Complete Tooling Solutions
for Metal Removal



IT.TE.DI.
Special State of the Art Modular
PCD Tools for Aluminum



UNITAC
Complete Range of
Deep Hole Drills



TAEGUTECH
Complete Tooling
Solutions for Metal Removal
and Industrial Products



UOP
Solid Carbide and High Speed
Steel Tools for Metal Removal



METALDUR
Special Production of
CBN Inserts and Grip Tools



INGERSOLL
Cutting Tools for the
Automotive and
Die & Mold Industries



OUTILTEC
Standard Drills, Special
Gundrills and Stepdrills



IMCD Production Center
Tool Production Facilities
Located in Eastern Asia



TUNGALOY
Complete Tooling Solutions
for Metal Removal



WERTEC
Standard Tools, Special
Indexable Reamers,
Boring Bars and Tools



MORSE
Production of Standard and
Special Solid Carbide Endmills



Power Precision Performance
IMCO
Advanced Carbide
Cutting Tools



PRECISION CUTTING TOOLS
Member IMC Group
PCT
Precision Cutting Tools,
Carbide Endmills and Drills



TOOL-FLO
Standard, Special Threading
and Grooving Tools
for the Oil and Gas Industry



January 2022

From the desk of the CEO:

Innovation, integrity and excellence drive our success. We integrate and respect the multiple cultures and languages of our IMC Group companies, to create an exceptional and unique corporate culture.

Our prominent position within the global industry is a direct result of the continuous efforts, hard work and uncompromising commitment of all our employees and business associates for the success of IMC Group. The global and local business environment is becoming more complex with ever-increasing regulations and competition. In recognition of such challenges, the IMC Compass – Good Business Conduct and Ethics Code was created to affirm our key values and policies.

We expect IMC's staff, stakeholders, business partners and all associates, to apply these principles in all business dealings on behalf of IMC.

Integrity and loyalty are the cornerstones of all successful organizations. Together, we will continue to honor our proud history by setting the best possible example at all times and by providing inspiration for others to follow.

Best regards,

A handwritten signature in black ink, appearing to read "Jacob Harpaz", is written over a thin, curved line.

Jacob Harpaz
President IMC Group





IMC COMPASS GOOD BUSINESS CONDUCT AND ETHICS CODE

A. Compliance at IMC: Leading by Example	5
B. Fair Dealings.....	8
1. Protecting Corporate Assets.....	8
2. Fair Competition and Interaction with Third Parties.....	8
3. Accurate Documentation	8
4. No Conflicts of Interest, No Insider Trading, No Corrupt Practices	9
C. Motivating to Excellence – Good Labor Management	11
D. Relations with our Business Associates	11
1. Events with Business Associates	11
2. Gifts and Giveaways	11
E. Uniform Global Compliance.....	12
1. Trade Controls.....	12
2. Foreign Policy Sanctions.....	13





THE IMC COMPASS



A Compliance at IMC: Leading by Example

IMC Members and employees can be rightly proud of our rich corporate history and culture. These have been the driving force behind much of our success. We work relentlessly to preserve and maintain the values that have made IMC a global leader and a very special place to work.

The IMC Compass is our way to promote and maintain the highest ethical and legal norms of conduct, and to ensure that our Group companies and individual employees are always doing the right things.

Being a part of Berkshire Hathaway (“BRK”), also means that we are all subject to the Berkshire Hathaway Code of Business Conduct and Ethics (“BRK Code”), the Berkshire Hathaway Prohibited Business Practices Policy (“BRK PBPP”) and other policies, as amended from time to time and published online. Current versions of the BRK Code and BRK PBPP are available online at https://www.imc-companies.com/wp-content/uploads/2021/11/Prohibited_Business_Practices_Policy.pdf. The BRK Code and Policies together with the IMC Compass and compliance policies constitute the minimum standards of conduct that we expect from every employee, manager and representative (“the Codes”).

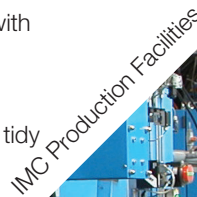
Every IMC Group company, all personnel and anyone authorized to operate on behalf of an IMC Group company (“IMC Member”) is expected to take real active measures to apply the Codes, and to act with personal integrity, loyalty, credibility, reliability, accountability, responsibility and genuine respect for others. Every IMC Member will also need to ensure that the same values and standards are applied when engaging with third parties and customers (“Business Associates”).

IMC Headquarters



We recognize that not all risks can be foreseen in advance. To minimize the effect of such risks, the following guidelines should be followed:

- (i) Ask questions: In most situations, it is virtually impossible to plan for all risks or to devise real solutions without knowing all the facts and intended context. Good preventative action begins with clear interpretation, attention to detail and forward planning.
- (ii) Trust your instincts: If you sense that something is improper in any transaction or activity, stop and question. Personal interests, private gains or improper use of company assets or information for individual benefits of the performer or others, must be completely excluded and never sought. There is never a justification for doing something which your instincts tell you is improper and, in any such case, please seek advice before taking further action.
- (iii) Be informed about risks: Conducting up-to-date regular risk assessments, forward business planning and “background checks” will minimize the chance that you find yourself surprised. Always make sure that you know enough about who you are dealing with, including the relevant background, other past and present activities, as well as the person’s and the organization’s reputation.
- (iv) Evaluate associations: Do not create long term business ties before investigating the facts about third-party identity and past conduct. Before engaging with a third party, decide if you can trust this third party to operate in the IMC name, to comply with all the Codes, policy decisions and legal rules.
- (v) Keep records: IMC Members are expected to keep tidy and complete corporate files, as well as accurate documentation of finances, regarding any transaction and dealings with any third party.
- (vi) Disclose information: Your reports are very important, whether to your direct manager or to the IMC higher management. Only with accurate reports are we able to plan ahead for risks or deal with “grey area” situations.
- (vii) Seek help: Our management team implements an “open door” policy. We are available for any approach regardless of company, regional or country affiliations. If you believe that any matter would be better or faster solved by our Tefen executives or legal department, we expect you to immediately forward any relevant data to our attention.
- (viii) Training: All IMC Member teams should be properly educated and trained in ethics and compliance matters. IMC Management and Compliance provides regular updates and training course materials.



IMC Production Facilities



1. Reporting:

It is the duty of each person to report actual or suspected wrong-doing. A reporter who makes a report in good faith will be protected from any prejudice or retaliation as a result of the report. HR and other operational business-related matters should be reported directly to management. Illegal and unethical conduct should be reported to management and/or to BRK's Compliance Hotline, available at: WWW.BRK-HOTLINE.COM. You can also find a number to dial from your home country on the back of the Berkshire Ethics Hotline Brochure if you wish to report your concern verbally. In cases of difficult or sensitive reports, it is possible to make the report on an anonymous basis.

2. Compliance Monitoring:

IMC reserves the right to monitor all use of IMC Information Technologies, subject to applicable law. Tools are employed by authorized personnel to monitor and track activity including information that is entered into, received by, sent, or viewed on IMC Information Technologies. This applies to, but is not limited to, all IMC Members Information Technology systems, personal/private/instant messaging systems, social media content, as well as use of the Internet, which are entered into, received by, sent, or viewed on IMC Information Technologies.

Your use of any IMC Information Technology asset or system demonstrates your consent to this monitoring.

Requests for information related to suspected misuse of IMC's Information Technologies must be directed to and authorized by IMC Compliance Officer.

IMC has the right to inspect any and all content or other information stored on the IMC network or on any IMC Information Technology asset or system, subject to applicable law.





B Fair Dealings

1 Protecting Corporate Assets

We are committed to protecting data privacy, corporate assets and confidential information. Any misuse of corporate assets or information may prejudice business operations and cause irreparable harm, costs, legal proceedings, loss of profit, and damage to our reputation and goodwill.

Such risks exist regardless of whether the subject asset belongs to IMC Members or to any of our Business Associates. Accordingly, IMC Members should exercise a reasonable degree of care to limit disclosure of proprietary confidential information, and to prevent misuse and/or disclosure of information by other third parties.

Every IMC employee is expected to strictly follow IMC policies and instructions regarding computer and online media use.

2 Fair Competition and Interaction with Third Parties

We expect all IMC Members and staff to act with complete integrity and fair play. We recognize the inherent mutual benefits of conducting good-faith interactions with third parties.

IMC maintains internal controls to monitor and ensure that IMC publications or materials will not unfairly infringe the rights of third parties, and will not include any information or reference which may be misleading.

Any manipulation, concealment, misrepresentation, inducement of others to breach confidentiality obligations or any other unfair competition practices is inconsistent with the IMC Compass and will be expressly prohibited and strictly avoided by all IMC Members.

3 Accurate Documentation

Corporate documents produced by IMC Members should be made in a full, fair, accurate, timely, and understandable way. IMC managers are expected to ensure that the company is operating and complying with applicable regulations. For any required advice on such matters, each manager may contact the IMC legal and/or finance teams in Tefen.

No documents, records, recordings or anything which reflects occurrence of any event shall ever be falsified, "back-dated," "re-constructed" or changed retrospectively, for any reason. All transactions must be recorded in a timely, consistent and accurate manner in terms of amount, accounting period, purpose and accounting classification and must have proper authorization. No secret or unrecorded fund or asset shall be created or maintained, and no accounting balances shall be created or maintained that do not have supporting documentation, are fictitious in whole or in part, or have no reasonable basis in fact. No checks may be written to "cash", to "bearer", or to third-party designees of a party entitled to payment. Other than documented petty cash transactions, no cash transactions may be made, unless such transaction is evidenced by a receipt bearing the signature of the recipient and the recipient is a party with whom the relevant subsidiary has a written contract.



Our internal networked systems facilitate real-time individual monitoring. This enables management to execute broad-based long-term business planning, resource allocation, and to prevent and minimize unauthorized or improper dealings.

4 No Conflicts of Interest, No Insider Trading, No Corrupt Practices

Non-public information may not be shared with any third parties, under any circumstance, other than as authorized by IMC management. Among other important reasons, this is done to prevent any inadvertent risk of “insider dealings” in securities, and other “bad choices” on anyone’s part. No IMC member shall use non-public information obtained from IMC or obtained as a result of the member’s IMC employment for his or her personal gain or for the personal gain of others through the trading of securities or otherwise.

Each IMC Member is expected to avoid and prevent situations where a person’s private interests may conflict with the interests of IMC. Any personal relationships or associations should be reported to management in advance.

We expect all those who are engaged by IMC Members, whether employees, officers or outside consultants, to provide their services objectively, truthfully, and to the best of their ability and professional competence. By the same token, we also expect our Business Associates to take positive measures to obligate any other third parties which may be linked to the IMC Group in some way, or which may obtain IMC Group information over the course of business, to observe and prevent any such insider dealings or improper activities as a result of conflicting interests.

All IMC Members are committed to local, global and United States “anti-trust” and “anti-corruption” legal and ethical standards including the Foreign Corrupt Practices Act (“FCPA”). For further details on the FCPA, please see the BRK PBPP.

IMC Members are prohibited from engaging in any activities which may lead to:

- (i) Prohibited business arrangements such as monopolies, cartels or trusts.
- (ii) Influencing a government or a public official, a political candidate, any political party, any officer or employee of a public international organization such as the United Nations or World Bank, any Royal family member or any officer or employee of a company owned or controlled by a government (such as state-owned oil companies, automobile companies and hospitals).
- (iii) Securing improper advantages from a government or a public official.
- (iv) Unduly or corruptly affecting government or public official decision-making process.
- (v) Unduly or corruptly securing business as a result of influence on government or public officials.

IMC Campaign Launch for Leading Customers and Distributors





IMC operates a complete ban on corrupt practices. This includes any cases of “willful blindness” or other actions to circumvent or avoid working according to the law. Third parties cannot be used to perform actions that IMC prohibits its employees from undertaking either directly or indirectly.

We expressly prohibit, whether directly or indirectly through our Business Associates or other third parties, any offers, payments, cash transfers and monetary gifting, as well as the provision of other advantages, or anything else of value (or the authorization thereof), with the corrupt intent of gaining “something in return”, (“quid pro quo”) or to secure any business advantage to any person, whether or not the recipient is a government official.

Facilitation payments are expressly prohibited, even if they are permitted by local laws. No IMC Member or Business Associates or third-party agents shall participate in any such payment.

Payments to Business Associates, third-party agents or intermediaries should be made only in the country where the party provides the services or in the country, if different, in which the party has its headquarters. The practice of transferring funds to accounts in countries other than the location of the services or the Business Associate’s, third-party agent’s or intermediary’s headquarters is not permissible unless the applicable party provides a valid business purpose and proper supporting documentation and the transactions are authorized by IMC Compliance Officer.





C Motivating to Excellence – Good Labor Management

As a multinational group, we encourage IMC Members to promote local labor diversity and equal opportunities, in strict compliance with local labor laws. We believe in motivating our teams for excellence in their respective duties and in their own individual personal career paths.

We aim to provide our employees with benefits beyond the minimum legal requirements, to ensure they are motivated to concentrate on their work. Our Human Resources and Safety departments regularly collaborate to improve internal group policies ensuring a safe “hazard free” and “harassment free” working environment.

IMC encourages the development of collegial, respectful and professional relationships amongst its employees. IMC is committed to prevent cases of favoritism, bullying, abuse, and sexual harassment. Such cases are treated with zero tolerance. They will be investigated and may result in disciplinary action as well as legal consequences.

As leaders in the global metalworking industry, IMC Group applies the highest recognized standards, and maintains management systems and programs for health and safety and the protection of the environment. IMC relevant Members have been certified by the prestigious international certifying organizations, as being in full compliance with the following standards: AS 9100 Rev D, ISO 9001:2015, ISO 14001:2004, ISO 45001:2018 and ISO 50001:2018.

D Relations with our Business Associates

1 Events with Business Associates

As a strategic marketing practice, we launch technical workshops and/or marketing presentation events (“Events”) for our staff and/or Business Associates. Invitations to such Events should follow IMC guidelines and established practices. Each invitation should be transparent and addressed to the invitee’s employer. Without derogating from IMC guidelines and established practices, written pre-approval of IMC Compliance Officer is required before an invitation may be extended to any person that is a high-ranking government official, a political candidate, any political party leader, any political party leader or any officer of a public international organization such as the United Nations or World Bank or any Royal family member.

Locations, contents, participants and purposes of all Events, which may be viewed as outside reasonable common industry practice, or which may be designated for any purpose not related to IMC’s products or business, shall require management approval and the approval of IMC Compliance Officer.

2 Gifts and Giveaways

IMC Members and employees shall neither offer nor accept any gifts, payments, favors, entertainment or other courtesies (“Courtesy”), whether in kind or otherwise, unless they are of nominal value and reasonable when considering all relevant circumstances. No Courtesy shall be extended to induce or otherwise influence the recipient to do or to refrain from doing something in return. Courtesies should not be extravagant and should not embarrass the giver and/or the recipient and/or any IMC Member, regardless of whether or not they are published. Written pre-approval must be obtained from IMC Compliance Officer before any Courtesy is provided to any person that is a high-ranking government official, a political candidate, any political party leader or any officer of a public international organization such as the United Nations or World Bank or any Royal family member.



E Uniform Global Compliance

1 Trade Controls

As a multinational group with business activities in various global markets, our IMC Members are required to acknowledge, to investigate and to take responsibility for completely obeying relevant laws and regulations, in letter and in spirit.

Our managers are expected to exercise reasonable care and to consult the Compliance team in cases of need or ambiguity in fulfilling legal and regulatory obligations. Investigation and consultation may be required on relevant trade related controls. These may be applicable regulations in the IMC Member's places of business, in the United States and/or in the relevant Business Associate's place of business which must be ascertained and obeyed.

Each IMC Member should diligently follow the prescribed process for reviews, inspections, permits, licenses, approvals and/or authorizations, including without limitation under import and export related laws and regulations, customs regulations, tax regulations and any other applicable requirements of trade controls.

It is the policy of IMC to comply fully with all applicable U.S. anti-boycott laws. No IMC employees may take any action that, directly or indirectly, supports the boycott of Israel or any other foreign boycott not sanctioned by the United States.

It is the policy of IMC to comply fully with U.S. import and export control laws governing commodities, software, and technology/technical data and the provision of related defense services to foreign persons/nationals. No IMC Member may engage in any transaction that is in violation of IMC export control policies and procedures, the BRK PBPP, or applicable laws and regulations.





2 Foreign Policy Sanctions

Each IMC Member must strictly comply with all applicable economic and trade sanctions and embargo programs under U.S. law, local laws, United Nations resolutions, and any other applicable laws and regulations. This means that no IMC Member may engage in any transactions, directly or indirectly, that involve Cuba, Iran, North Korea, Syria, Venezuela or the Crimea Region of Ukraine, or any country or region subject to restrictions under applicable local or other laws. For further guidance on foreign policy sanctions, please refer to the BRK PBPP.

Transactions with Russia. As a result of broad U.S. economic sanctions programs targeting Russia, no U.S. origin commodities, software, or technology/technical data (collectively referred to as "items") subject to U.S. export control laws and regulations ("collectively referred to as "U.S. items") shall be exported, reexported, sold, or supplied to customers located in Russia, whether directly or indirectly (including through distributors, sales agents, or other third-party intermediaries or Business Associates wherever located). If you believe a transaction with Russia may involve U.S. items, then IMC Compliance Officer must be immediately notified and the transaction shall not proceed without his/her prior approval.

IMC Hanjin Warehouse in Seoul





Transactions with Venezuela. Due to ongoing and increasing concerns of the U.S. government regarding political and social developments in Venezuela, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other federal agencies have developed and implemented sanction programs relative to a variety of specific industries, government agencies and individuals, and specifically identified individuals and entities. The various sanction programs, when considered in their breadth and complexity, make this a de facto embargo on Venezuela. As a consequence, IMC has a policy of not doing business with or in Venezuela, or with individuals or entities that constitute the government of Venezuela. To ensure compliance with the foregoing laws and sanction programs, no IMC Member may engage in any transaction or conduct of the type described above that is known to involve Venezuela, directly or indirectly, without prior consultation with IMC Compliance Officer.

Transactions with Certain Blocked Individuals, Entities and Groups. The United States and other countries in which IMC conducts business maintain various restricted/denied parties lists, which may prohibit or restrict IMC Members from engaging in transactions with listed parties and entities owned or controlled by them. These lists may be issued, updated and/or revoked (sometimes, as often as several times a week) and published regardless of whether online or in print. The largest and most restrictive U.S. list is the Specially Designated Nationals and Blocked Persons ("SDN") List administered by OFAC. Any prospective transactions or dealings with a party identified on the SDN or any other list administered by OFAC (including parties that are constructively blocked as a result of OFAC's 50-Percent Rule), whether directly or indirectly, must be immediately reported to IMC Compliance Officer and shall not proceed without his/her prior approval.

For all IMC Members, under no circumstances shall U.S. persons, U.S. origin items, or the U.S. Dollar be involved, whether directly or indirectly, in any transaction or dealing with an individual, entity, aircraft, or vessel subject to U.S. economic sanctions (including SDNs and SSIs). For these purposes, the term U.S. person includes any U.S. citizen, U.S. permanent resident alien (green card holder), any person physically present in the U.S. regardless of immigration status, any entity, bank, or other financial institution organized under the laws of the U.S. (including their foreign branches), or any person otherwise subject to U.S. jurisdiction (e.g., persons using the instrumentalities of U.S. interstate commerce, such as internet or other communications services).

Before entering into any transaction, IMC Members should conduct applicable screening of parties, due-diligence measures and appropriate investigation before engaging with a third party (including vendors and customers and other Business Associates), to make sure that such parties are not sanctioned or affiliated with anyone or any entity who is sanctioned.

Furthermore, no IMC Member, may facilitate any transaction with any sanctioned country or region, or take any action that will cause or may result in a U.S. Person being involved in facilitation of any such transaction. "Facilitation" includes any unlicensed action by a U.S. Person that assists or supports trading activity with a sanctions target, by any person. For example, referral of a business opportunity with a sanctioned jurisdiction by a U.S. Person to a non-U.S. Person, or requesting input from a U.S. Person regarding a transaction that involves sanctioned parties may be considered prohibited facilitation under the applicable OFAC sanctions program. Economic and trade sanctions are very broad in nature, especially U.S. programs, under which prohibitions or other sanctions risks can be extended extraterritorially to the conduct of foreign persons, where sanctions targets are involved in a transaction.

IMC Members should consult the IMC Compliance team where a concern is raised regarding sanctions, or if there are any questions or clarifications regarding their compliance with foreign policy sanctions obligations.



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