

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

THE IMC COMPASS:
 GOOD BUSINESS CONDUCT
 AND ETHICS CODE



IMC
 INT'L METALWORKING CO.

COMMITMENT

REPUTATION

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



TAEGUTEC
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



April 9th 2018

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,

Jacob Harpaz
President IMC Group





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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 thing.

Being a part of Berkshire Hathaway group (BRK), also means that we are all subject to the Berkshire Hathaway Code of Ethics and other policies, as amended from time to time and published online. A current version of the Berkshire Code of Ethics is available online at <http://www.berkshirehathaway.com/govern/ethics.pdf> and attached to this Code. The BRK Code of Ethics 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”).

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 transactions or activity, stop and question. Personal interests, private gains or improper use of company’s 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.

IMC Headquarters





(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 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.

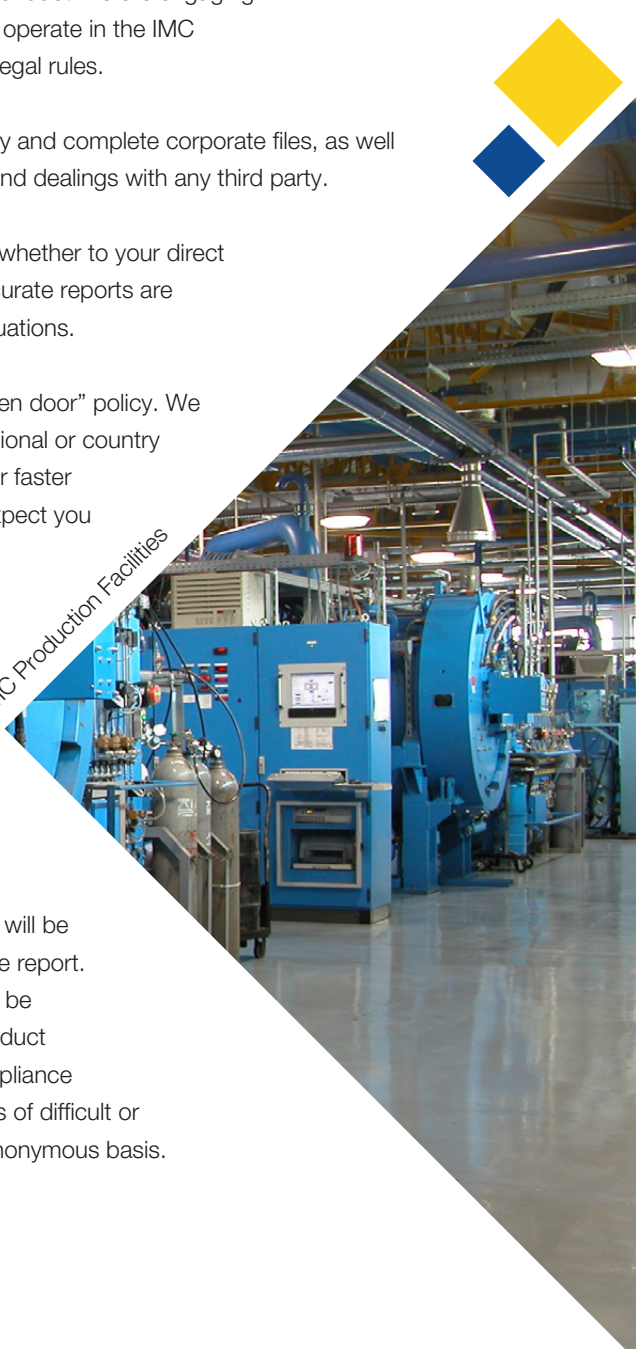
(vii) Seek help: Our management team implements an “open door” policy. We are available for any approach regardless of company, regional or country affiliations. If you believe that any matter would be better or faster solved by our Tefen executives or legal department, we expect you to immediately forward 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.

A. 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. In cases of difficult or sensitive reports, it is possible to make the report on an anonymous basis.

IMC Production Facilities





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.

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.

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.



IMC Campaign Launch for Leading Customers and Distributors





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

- (i) Prohibited business arrangements such as monopolies, cartels or trusts
- (ii) Influencing a government or a public service official
- (iii) Securing improper advantages from a government or a public official
- (iv) Unduly affecting government or public official decision-making process
- (v) Unduly securing business as a result of influence on government or public officials

IMC operates a complete ban on corrupt practices. This includes any cases of “wilful blindness” or other actions to circumvent or avoid working according to the law.

We expressly prohibit any direct or indirect offers, payments, cash transfers and monetary gifting, as well as the provision of other advantages, or anything else of value, with the corrupt intent of gaining “something in return”, “quid pro quo” from a government or public official or from any other person.

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





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 Members have been certified by the prestigious Standards Institute, as being in full compliance with quality standards: AS 9100 Rev C, ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

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 for our staff and/or Business Associates (“Events”). Invitations to such events should follow IMC guidelines and established practices. Each invitation should be transparent and addressed to the invitee’s employer.

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.

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.



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 not expected to possess knowledge of every legal measure, but they are expected to exercise reasonable care and to consult the Compliance team in cases of need or ambiguity. In some cases, investigation and consultation is required on relevant trade related controls. These may be regulations in the IMC Member's places of business, in the United States and/or in the relevant business partner's place of business.

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





2 Foreign Policy Sanctions

IMC Members should observe the applicable local laws, UN resolutions and United States trade sanctions, as may be issued, updated and/or revoked from time to time and published regardless of whether online or in print.

Current United States sanction programs are listed online at: <http://apps.export.gov/csl-search#/csl-search>

IMC Members should consult the IMC Compliance team where a concern is raised regarding sanctions.

In accordance with the sanction programs currently in place, IMC Members will completely refrain from conducting any business interaction with any entity operating in, from or under the auspice of: Cuba, Iran, North Korea and Syria, in addition to any restrictions according to local laws.

Furthermore, IMC Members will conduct due-diligence measures and appropriate investigation before engaging with a third party, to make sure that they are not sanctioned or affiliated with anyone/ any entity who is sanctioned.

Management will continuously monitor available publications at all times in order to keep updated and ensure awareness of any applicable anti-terrorism, boycott, property block, transaction prohibition or other foreign trade sanction measures.

IMC Hanjin Warehouse in Seoul





SUPPORTING DOCUMENTS

Berkshire Hathaway's 'Code of Business Conduct and Ethics'

IMC Headquarters



IMCCOMPASS





**BERKSHIRE HATHAWAY INC.
CODE OF BUSINESS CONDUCT AND ETHICS**

A. Scope.

This Code of Business Conduct and Ethics applies to all Berkshire Hathaway directors, officers and employees, as well as to directors, officers and employees of each subsidiary of Berkshire Hathaway. Such directors, officers and employees are referred to herein collectively as the "Covered Parties." Berkshire Hathaway and its subsidiaries are referred to herein collectively as the "Company."

B. Purpose.

The Company is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. To this end, this Code of Business Conduct and Ethics serves to (1) emphasize the Company's commitment to ethics and compliance with the law; (2) set forth basic standards of ethical and legal behavior; (3) provide reporting mechanisms for known or suspected ethical or legal violations; and (4) help prevent and detect wrongdoing.

Given the variety and complexity of ethical questions that may arise in the Company's course of business, this Code of Business Conduct and Ethics serves only as a rough guide.

Confronted with ethically ambiguous situations, the Covered Parties should remember the Company's commitment to the highest ethical standards and seek advice from supervisors, managers or other appropriate personnel to ensure that all actions they take on behalf of the Company honor this commitment. When in doubt, remember Warren Buffett's rule of thumb:

"...I want employees to ask themselves whether they are willing to have any contemplated act appear the next day on the front page of their local paper – to be read by their spouses, children and friends – with the reporting done by an informed and critical reporter."

C. Ethical Standards.

1. Conflicts of Interest.

A conflict of interest exists when a person's private interest interferes in any way with the interests of the Company. A conflict can arise when a Covered Party takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may also arise when a Covered Party, or members of his or her family, receive improper personal benefits as a result of his or her position at the Company. Loans to, or guarantees of obligations of, Covered Parties and their family members may



create conflicts of interest. It is almost always a conflict of interest for a Covered Party to work simultaneously for a competitor, customer or supplier.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor or manager or, if circumstances warrant, the chief financial officer or chief legal officer of the Company. Any Covered Party who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section E of this Code.

All directors and executive officers of the Company ,[and the chief executive officers and chief financial officers of Berkshire Hathaway's subsidiaries,] shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Chairman of the Company's Audit Committee. No action may be taken with respect to such transaction or party unless and until such action has been approved by the Audit Committee.

2. Corporate Opportunities.

Covered Parties are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors of the Company. No Covered Party may use corporate property, information or position for improper personal gain, and no employee may compete with the Company directly or indirectly. Covered Parties owe a duty to the Company to advance its legitimate interests whenever possible.

3. Fair Dealing.

Covered Parties shall behave honestly and ethically at all times and with all people. They shall act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically competitors, suppliers, customers, and colleagues. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. No Covered Party should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered or accepted by a Covered Party or any family member of a Covered Party unless it (1) is consistent with customary business practices, (2) is not excessive in value, (3) cannot be construed as a bribe or payoff and (4) does not violate any laws or regulations. The offer or acceptance of cash gifts by any Covered Party is prohibited. Covered Parties should discuss with their supervisors, managers or other appropriate personnel any gifts or proposed gifts which they think may be inappropriate.



4. Insider Trading.

Covered Parties who have access to confidential information are not permitted to use or share that information for securities trading purposes (“insider trading”) or for any other purpose except the conduct of the Company’s business. All non-public information about the Company should be considered confidential information. It is always illegal to trade in Berkshire Hathaway securities while in possession of material, non-public information, and it is also illegal to communicate or “tip” such information to others. While all Covered Parties are prohibited from insider trading, Berkshire has adopted specific “Insider Trading Policies and Procedures” applicable to the Company’s directors, executive officers and key employees (“Directors and Covered Employees”). This document is posted on Berkshire’s website and is sent periodically to Directors and Covered Employees in connection with certification of compliance.

5. Confidentiality.

Covered Parties must maintain the confidentiality of confidential information entrusted to them, except when disclosure is authorized by an appropriate legal officer of the Company or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Company. The obligation to preserve confidential information continues even after employment ends.

6. Protection and Proper Use of Company Assets.

All Covered Parties should endeavor to protect the Company’s assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company’s profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. The Company’s equipment should not be used for non-Company business, though incidental personal use is permitted.

The obligation of Covered Parties to protect the Company’s assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or criminal penalties.

7. Compliance with Laws, Rules and Regulations.

Obeying the law, both in letter and in spirit, is the foundation on which the Company’s ethical standards are built. In conducting the business of the Company, the Covered Parties shall comply with applicable governmental laws, rules and regulations at all levels of government in the United States and in any non-U.S. jurisdiction in which the Company does business.



Although not all Covered Parties are expected to know the details of these laws, it is important to know enough about the applicable local, state and national laws to determine when to seek advice from supervisors, managers or other appropriate personnel.

The document "Prohibited Business Practices Policy" sets forth the Company's policy on compliance with laws, specifically addressing such topics as prohibited offers or payments, gifts and entertainment, transactions with certain countries and persons, accounting controls, and accurate record-keeping. This Policy is furnished to senior managers and available to all employees.

8. Timely and Truthful Public Disclosure.

In reports and documents filed with or submitted to the Securities and Exchange Commission and other regulators by the Company, and in other public communications made by the Company, the Covered Parties involved in the preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable. Where applicable, these Covered Parties shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the Company's independent public auditors or investors.

9. Significant Accounting Deficiencies.

The CEO and each senior financial officer shall promptly bring to the attention of the

Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal control over financial reporting.



D. Waivers.

Any waiver of this Code for executive officers or directors may be made only by the Company's Board of Directors or its Audit Committee and will be promptly disclosed as required by law or stock exchange regulation.

E. Violations of Ethical Standards.

1. Reporting Known or Suspected Violations.

The Company's directors, CEO, senior financial officers and chief legal officer shall promptly report any known or suspected violations of this Code to the Chairman of the Company's Audit Committee. All other Covered Parties should talk to supervisors, managers or other appropriate personnel about known or suspected illegal or unethical behavior. These Covered Parties may also report questionable behavior in the same manner as they may report complaints regarding accounting, internal accounting controls or auditing matters by contacting (anonymously, if desired) a third party organization called NAVEX Global (toll-free number 800-261-8651 or web site at <http://brk-hotline.com>). Separate anonymous reporting procedures are available for Company employees working outside the United States. No retaliatory action of any kind will be permitted against anyone making such a report in good faith, and the Company's Audit Committee will strictly enforce this prohibition.

2. Accountability for Violations.

If the Company's Audit Committee or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending Covered Party may be disciplined for non-compliance with penalties up to and including removal from office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, censure by the Audit Committee, demotion or re-assignment of the individual involved and suspension with or without pay or benefits. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending Covered Party and the Company. All Covered Parties are expected to cooperate in internal investigations of misconduct.

F. Compliance Procedures.

We must all work together to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know if a violation has occurred. Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:



- Make sure you have all the facts. In order to reach the right solutions, we must be as informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? Use your judgment and common sense. If something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the questions, and he or she will appreciate being consulted as part of the decision-making process.
- Seek help from Company resources. In rare cases where it would be inappropriate or uncomfortable to discuss an issue with your supervisor, or where you believe your supervisor has given you an inappropriate answer, discuss it locally with your office manager or your human resources manager.
- You may report ethical violations in confidence without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with the Company's legal obligations. The Company in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.
- Ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.





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