

**Section: Compliance****Unit: All Units***Supersedes*

No.:

**Subject: Conflicts of Interest**

Date:

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It is the policy of the Element Solutions Inc that every employee, director and officer shall conduct himself with high ethical standards to avoid a conflict of interest with the Company or its stockholders.

A conflict of interest, in the broad sense, may arise where an individual's position or responsibilities on behalf of the Company present an opportunity for personal gain apart from the normal rewards of employment. It may also arise where an individual's personal interests are so inconsistent with Element Solutions' interests that the latter become secondary, or otherwise conflict with his proper loyalties to the Company. Areas which require specific attention are:

**I. Personal Financial Interest**

- a. Directors, officers and employees shall avoid any outside commercial interests which might influence their official decisions or actions. Such outside commercial interests could include (a) a financial interest in an enterprise which has business relations with the Company if such financial interest represents a significant part of the net worth of the individual or enterprise; and (b) an investment in another business which competes with any of the Company's interests if such investment represents a significant part of the net worth of the individual or of the net value of the other business. In short, financial activity in any form which would involve or suggest "self-dealing" should be avoided.

**II. Inside Information**

- a. Directors, officers, and employees shall refrain from the purchase or sale of the Company's securities or from involvement in any outside transaction which is influenced by confidential information or special knowledge of the Company's activities. Confidential information or special knowledge would be that which is not generally known or available to the public.

**III. Gratuities**

- a. An individual shall not place himself/herself under actual or apparent obligation to anyone by accepting or permitting those close to him/her to accept gifts or other favors where it might appear that they were improperly influencing the individual in the performance of his/her duties.

**IV. Outside Activities**

- a. Officers and employees shall avoid outside employment or activities which would impair the effective performance of their obligations to the Company, either because of excessive demands on their time, or because of their assumption of outside commitments obviously contrary to their legitimate commitments to the Company.

- b. In many cases, outside participation on the board of directors or equivalent executive body of not-for-profit organizations is encouraged. Serving in such a capacity for a profit-making organization, however, requires the prior authorization of your supervisor, after the relationship has been reviewed for conflicts of interest purposes by legal counsel.

## V. Outside Employment

- a. It is the policy of the Company to provide employment as the primary employer. Employees, including those on a leave of absence, who consider or accept other employment, shall comply with this policy and management direction. Outside employment guidelines include:
  - i. Employees shall not accept employment from current or prospective vendors, customers or suppliers of service to the Company.
  - ii. Employees shall not accept employment or consult for firms or individuals who are competitors of the Company.
  - iii. Employees shall not accept employment where a conflict of interest would arise or where such employment would have an adverse effect upon the reputation of the Company.
  - iv. Employees shall not accept employment, which in the opinion of management, will reduce their ability to perform normal assigned duties for the Company.
  - v. Employees involved in a business as an investor or proprietor shall avoid a conflict of interest as set forth in this policy.
  - vi. Regular, full-time employees may not be classified or employed as regular, full-time employees of any other company, association or entity.

## VI. Gifts to Customers

- a. It is also the policy of Element Solutions Inc that for those business units dealing directly with the Federal Government, they observe all provisions of The Standards of Ethical Conduct for Employees of The Executive Branch of The Federal Government. This standard places limits of \$20.00 value to gifts given to government employees.
- b. Those divisions not dealing with the government should conduct the practice of gift giving in an ethical manner. Any practice or appearance of using gifts to influence customers is strictly forbidden.

Finally, conflict of interest situations do occasionally present themselves, and those that do are hopefully inadvertent. While the potential for conflict of interest is there, they should be avoided by personal foresight and planning. Where actual, they must be eliminated promptly upon their discovery, and full disclosure must be made to the appropriate executive officer. Only in those ways can the individuals involved honor their special responsibilities of trust and good faith which are the lifeblood of the Company.

Approved:

A handwritten signature in blue ink, appearing to read "JEC", is positioned above a horizontal line.

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John E. Capps  
Executive Vice President, General Counsel and Secretary