



KOCH INDUSTRIES, INC.

VISION

The role of business in society is to help people improve their lives by providing products and services they value more highly than their alternatives, and do so responsibly while consuming fewer resources. To the extent a business accomplishes this, its profitability is a valid measure of the value it creates in society.

Creative destruction has always been with us, but today's rate of change is unprecedented. The speed and degree of

these changes are improving people's lives and creating exceptional opportunities, but are also threatening the very existence of long-standing jobs, firms and industries.

To succeed in this new world, we must have a heightened sense of urgency and the commitment to continually transform our performance. We cannot create superior value for our customers, company, employees and society unless we develop new visions, strategies,

methods and products. Disruptive technologies can be a powerful tool for all of these.

By being a preferred partner and driving continuous improvement and perpetual transformation, we can generate virtuous cycles of mutual benefit. Such cycles – created through MBM®, and enhanced by remaining private and reinvesting 90% of earnings – result in superior returns and growth.

CAPABILITIES THAT ARE CRITICAL TO OUR VISION:

MARKET-BASED MANAGEMENT®

MBM® is the overarching capability that guides all others through the application of its framework, dimensions, principles and concepts.

COMMERCIAL EXCELLENCE

Be **Principled Entrepreneurs**. Give preference to counterparties with aligned vision and values, and complementary capabilities. Use good economic thinking to generate continuing cycles of new capabilities and opportunities.

OPERATIONAL EXCELLENCE

Be the preferred operator. Exemplify **Stewardship and Compliance**. Seek, acquire, develop and apply the strategies, methods and technologies that lead to competitively advantaged performance.

INNOVATION

Identify trends early, continually experiment, leverage **Knowledge** and drive **Transformation** in order to maximize results.

TALENT

Select, develop, reward and retain employees based on their commitment to our Guiding Principles. Enable employees to maximize their potential and contributions by becoming more fully **Self-Actualized**. Ensure roles are based on comparative advantage and reward employees for the value they create.

PUBLIC SECTOR

Help make Koch the preferred partner of its key constituencies. Create the best possible environment for **Principled Entrepreneurship™**. Help remove barriers that prevent people from realizing their potential. Motivate others to do the same.