

KMG Chemicals, Inc. Fair Disclosure Policy

The Company is committed to fair disclosure of information to its shareholders, the financial community, and the public.

The Company and its management team believe it is in the Company's best interest to maintain an active and open communication with shareholders and potential investors regarding the Company's historical performance and future prospects. The Company can create shareholder value by publicly articulating its strategies, business strengths, and growth opportunities. The Company is also aware of its need for confidentiality about details of key business and operating strategies.

Standard Communications

The Company periodically and regularly communicates with its shareholders and other members of the investment community about its business operations. The Company does so both through press releases and through telecommunications. Those communications, which are available to all interested persons, include:

- A quarterly press release that discloses the Company's sales and earnings for the prior quarter and the Company's fiscal year to date, and generally provides other information relating to those sales and earnings and operating results;
- A presentation of the Company's business outlook and results posted on the Company's web-site.
- A quarterly conference call open to financial analysts, the media and the public (through simultaneous web-cast) discussing the quarterly financial results and providing outlook information; and
- A playback of the quarterly conference call and/or transcript of the conference call on the Company's web-site.

In addition to these periodic communications, the Company may have conference calls or other communications, such as web-casts, or web-site postings in which the Company will disclose new developments in its business and operations. The Company will have these additional communications if events warrant that type of additional communications with its shareholders and other members of the investment community, and the Company determines the communication to be appropriate. In distributing information, the Company is to be non-selective. For example, the small investor should receive the same treatment as the large investor.

Analyst Communications

The Company participates in conferences sponsored by securities firms, and other investor conferences. The Company will post these presentations on its web-site and, in the event of the release of material information, issue a media release describing the information. The Company may, in some circumstances, also file a Form 8-K providing the same information. The Company will observe a “quiet period.” A “quiet period” is a period of time during which the Company will not engage in discussions with analysts. The Company will notify the public of the timing of the quiet period by posting this information on its web- site.

The Company will also talk to individual analysts to provide additional background information concerning its business. Similarly, the Company will continue to participate in other public forums at which analysts or investors could be present, including industry seminars, trade shows, employee and annual shareholder meetings. If the Company determines that material, non-public information inadvertently has been disclosed in these meetings, appropriate public disclosure will be made promptly. It will be the Company’s policy, when reviewing models or research from an analyst, to review for factual information or assumptions but not to comment or support the “soft information” or the conclusions. The Company does not endorse projections and does not update changes going forward. Further, there should be no written exchange of comments with analysts.

Responding to Market Rumors

From time to time the Company will be asked to respond to rumors or inquiries concerning earnings. The Company will not provide any formal guidance to analysts in developing their projections. Therefore, the appropriate response should be “that it is not the Company’s policy to respond to market rumors.” When requested to respond to rumors related to other material corporate matters, the Company has a couple of options:

- If the rumor indicates that pending internal developments have somehow leaked into the market, then the Company should appropriately and accurately respond.
- If the rumor is clearly inaccurate or simply false, then the Company should deny it or accurately portray the facts.

Authorized Spokespersons

The Company speaks to the financial community and its shareholders through authorized representatives. The following persons are authorized to communicate on behalf of the corporation to analysts, securities market professionals and major stockholders of the corporation.

Chief Executive Officer

Chief Financial Officer

Chief Legal Officer

Chairman of the Board of Directors

[Lead Director of the Board of Directors](#)

Other officers or employees of the corporation may from time to time communicate with analysts and investors as part of the Company's investor relations program. In such instances, an authorized representative will also be present. No employee is authorized to communicate business or financial information about the Company that is non-public, material information, except through Company sanctioned public disclosure or for business purposes under a non-disclosure agreement.

General

Employees will be notified that, except as specified in this policy, they shall not communicate to analysts and investors and shall refer all questions to the Chief Executive Officer or, in his or her absence, another authorized representative.

The Company endeavors to make appropriate announcements and to conduct interviews with the media about its business, technology and significant developments. Appropriate training will be provided to each authorized representative on compliance with the policy, review of public statements regarding material information, and procedures for disclosing non-public information.