

Code of Conduct of BalTec Group

Preamble

BalTec Group is the world's market leader in riveting technique. The company's reputation and the confidence placed in it by customers, suppliers, business partners, shareholders and the public depend substantially on all employees behaving responsibly. Every BalTec employee undertakes to abide by statutory regulations, all mandatory requirements, and this Code of Conduct.

1. PRINCIPLES

1.1 Law-abiding conduct

For BalTec, the law must be respected. Each employee has a duty to respect the legal system under which he or she works. Our commitment to the principle of acting within the law applies regardless of whether this results in any benefit to BalTec. Every employee is personally responsible for complying with the laws in force in his or her area of work. All employees are strictly prohibited from allowing third parties to engage in illegal actions or from knowingly being a party to such actions. Management must demonstrate a high degree of ethical competence. They are responsible for complying with and implementing this Code of Conduct. The company disapproves of any infringement of the law and will respond to such actions with internal disciplinary measures regardless of the hierarchical position of the employees concerned.

1.2 Responsibility for BalTec's reputation

In the performance of their duties, all employees must be mindful of BalTec's reputation.

1.3 Conduct toward employees

BalTec respects and protects the dignity of each employee. BalTec invests in its employees' qualifications and skills. BalTec does not tolerate any discrimination, harassment or unfair treatment based on gender, race, disability, ethnic or cultural origin, religion, belief, age or sexual orientation.

BalTec respects its employees' right to freedom of association under current laws. BalTec treats its employees fairly and openly.

BalTec expects all employees to be objective, courteous and fair in their dealings with colleagues, employees, and third parties.

2. AVOIDANCE OF CONFLICTS OF INTEREST

2.1 Shareholdings and second jobs

Staff are strictly forbidden from taking second jobs with companies which are in competition with BalTec or with customers or suppliers. An exception is made for second jobs which have no influence over BalTec's area of activities, and which have been approved by Group Management. Holding Shares of competitors, suppliers or customers must be disclosed to Human Resources Management. This does not apply to shareholdings of less than ten (10) percent of the share capital in question.

2.2 Engagement of business partners for private purposes

To rule out conflicts of interest between the company and employees' private affairs, employees are strictly barred from hiring business partners closely involved in their area of duties for private purposes. Any exceptions require prior clearance from the employee's line manager and human resources manager.

2.3 Private and business expenditure

Expenditure for business and private purposes must be kept strictly separate. Business expenses are subject to the principle of clarity, transparency and provability (documentary evidence).

3. HANDLING OF INFORMATION

3.1 Documents

Records and reports (both internal and external) must be correct and factual. The principles of orderly bookkeeping and balance sheet accounting must be complied with. In particular, every accounting entry must be based on a documentary record which is true to the facts and all transactions must be recorded (i.e. "off-book" transactions will not be tolerated). All BalTec funds and assets must be recorded in the accounts; illicit funds are strictly prohibited. The production of records, files etc. involving the use of confidential company information is only permitted if undertaken in the direct interest of BalTec.

3.2 Confidentiality

Confidential company information must not be disclosed to or otherwise made accessible to third parties unless expressly authorized or unless the information in question is publicly accessible. This obligation to maintain confidentiality also applies after termination of the employment relationship.

3.3 Data protection and information security

Personal data may only be collected, processed or utilized to the extent necessary for defined, legal purposes. High technical standards must be set in relation to data quality and protection of data from unauthorized access. The use of data must be transparent for those concerned. The rights of the latter to information and rectification of errors must be safeguarded, as must where applicable their rights to lodge objections or have data blocked or deleted.

3.4 Insider information

Insider information means any unpublished information about BalTec or BalTec's business. The respective legal rules in force on insider trading apply. Insider information is to be treated as strictly confidential, and must not be disclosed to third parties, even in abridged or summarized form. This also applies to the disclosure of passwords which provide access to electronically stored insider information. Disclosure of insider information to employees or external advisors is only permissible if the recipients need the information to perform their duties and have undertaken to treat the information as strictly confidential.

4. CONDUCT IN DEALINGS WITH BUSINESS PARTNERS AND THIRD PARTIES

4.1 Competition and antitrust law

BalTec respects fair competition. The company complies with current laws protecting and promoting competition, particularly current antitrust laws and other laws regulating competition. In competing for market share, BalTec is guided by the need to act with integrity. Every employee is obliged to comply with the rules of fair competition within the framework of the legal requirements. In particular, competitors are not permitted to divide up territories or customers, or to reach agreements or exchange information on prices/price components, delivery relationships and their conditions or on capacity or approaches to bidding. The same applies to exchanges of information on market strategies and stake-holding strategies. Agreements or exchanges of information on research and development projects are only permissible in exceptional, narrowly defined cases. The company's market position must not be illegally exploited in order to impose price discrimination, unsolicited deliveries of products, or refusals to deliver.

4.2 Relationships with suppliers and customers

Suppliers must be selected solely on the basis of objective criteria after comparing price, quality and performance and suitability. Agreements with customers and suppliers must be made in unambiguous form and must be documented together with subsequent amendments and supplements. All employees must strictly comply with the internal rules on the application of the dual control principle ("two pairs of eyes") and on the separation of executive and verification functions.

4.3 Gifts and other forms of consideration

Agreements, or ancillary arrangements relating to inducements or in the context of brokering, awarding, delivery, settlement and payment are not permissible. Employees are prohibited from offering, promising or granting employees, executive bodies, shareholders or agents of BalTec customers any advantages (money or other items of value or other advantages) in order to secure orders for BalTec. In this context, it is immaterial whether the advantages are given or promised to the recipient or to third parties or directly or indirectly through middlemen (agents, advisors, distributors etc.). Employees are also prohibited from accepting advantages in return for placing orders for the account of BalTec. Employees who allow themselves to be unfairly influenced by, or who attempt to exert unfair influence over, customers or suppliers will be subject to disciplinary measures regardless of any ensuing criminal prosecution. Attempts by suppliers or customers to exert unfair influence over the decisions of BalTec employees must be reported to the line manager. Commissions and payments made to appointed dealers, representatives or advisors must be in an appropriate and justifiable proportion to their work. All commission and payments must be approved by Group Management in writing. Appointed dealers and agents or advisors may only be engaged on the basis of standard contracts approved by the Legal Department and only after the appointed dealer, agent or advisor has been vetted by the Legal Department and approved for conclusion of the contract. In the event of bribery and corruption, there must be a contractual provision for a right to terminate the contract without notice subject to additional claims on the part of the employer. Gifts and other favours of more than a merely symbolic nature must be declined. Such offers must be reported to the line manager.

4.4 Donations

In the interests of good corporate citizenship, BalTec may make donations in cash or in kind to causes in the areas of education and training, science, culture, and social welfare. Donations must always be transparent. Both the recipient and the specific use must be verifiable at any time. BalTec does not make donations to political parties.

5. PRODUCT QUALITY, SAFETY, AND SUSTAINABILITY

BalTec is guided by the principles of sustainability. We meet our customers' high expectations in terms of quality and safety, and implement necessary improvements to this end. To fulfil our responsibility toward future generations, we ensure that our products and manufacturing processes are sustainable in environmental, economic and social terms, and are always consistent with the technological state of the art. If defects occur despite our best efforts, we act to rectify them in accordance with legal requirements and contractual obligations.

6. INDUSTRIAL SAFETY, HEALTH PROTECTION, FIRE PREVENTION, AND ENVIRONMENTAL PROTECTION

BalTec ensures the safety of staff in the workplace and offers a working environment conducive to health. It is the duty of all employees to avoid hazards posing a threat to human beings and the environment, to minimize environmental impacts, and to conserve resources. Processes, operating sites and facilities must comply with the applicable statutory and in-house requirements relating to industrial safety and health protection, fire prevention, and environmental protection. BalTec supports continuous development to improve the working environment and foster environmentally aware behaviour on the part of all employees.

7. INFORMATION AND TRAINING

Every employee must be issued with a copy of this Code of Conduct and expressly informed of the rules it contains. If employees are unsure of the right course of action to take, they must discuss the matter with their line manager or the General Counsel. BalTec employees receive regular information and training on topical issues relating to this Code of Conduct.

8. REPORTING IRREGULARITIES

BalTec creates a working environment in which anyone and everyone can uncover deficits and dangers for the company without fear of adverse consequences. Violations of this code of conduct or other internal regulations, as well as illegal actions, are to be reported to the line manager. In cases in which this is not possible, the human resources department or the Chairman of the Board of Directors is available to assist.

If you want to remain anonymous to BalTec, you can contact the external and independent legal adviser designated by BalTec. Any information provided to BalTec will be treated on an anonymous basis. Only upon the request of the informing person the lawyer can inform BalTec about the person's identity. A report can be submitted in writing, orally or in person, specifying the identity. The adviser's office can be reached as follows:

Dr. iur. Alexander Abplanalp
Lawyer
Ruetistrasse 56
8032 Zurich
Switzerland
Tel. +41 79 207 63 39
alexander.abplanalp@bluewin.ch

9. VIOLATIONS AND SANCTIONS

Deliberate misconduct and violations of current legal requirements and operating regulations will not be tolerated. Violations of the Code of Conduct will have consequences for the employment relationship and its continuation, and may lead to compensation claims. All infringements of rules will be investigated.

10. MONITORING

Each business unit is responsible for ensuring compliance, in its own area, with the rules contained in this Code of Conduct and with other within the company. Management is required to ensure that breaches of the Code of Conduct and of rules issued subsequently are identified, pursued, and reversed. They will issue status reports to the General Counsel and Compliance Officer at regular intervals.