

## Code of Conduct



## **1. Preamble: Purpose and scope**

As an international company with a long tradition, Argor-Heraeus enjoys an excellent reputation throughout the world. The operational framework within which we operate is described in this code of conduct, which we consider to be an integral part of our responsibility-conscious company management and lived values. This code of conduct applies throughout the world to all employees and organizations within the Argor-Heraeus group. By complying with the procedures described in this code of conduct, we contribute to the security of our long-term business success and guarantee at all times a consistently fair and responsible treatment of our employees, business partners and natural environmental resources.

The essential foundation of all transactions at Argor-Heraeus is compliance with all binding statutory requirements at the national and international level, as well as compliance with voluntarily accepted obligations. All employees and organizations at Argor-Heraeus are obliged to inform themselves regarding the requirements applicable to their area of responsibility in the company, to apply them and to obtain additional information and advice from the relevant offices in cases of doubt.

This code of conduct will be supplemented with special guidelines for particular subject areas such as, for example, the guidelines applicable throughout the world for the procurement of goods and services (still to be drafted) and the guidelines for the prevention of money laundering (Internal regulations for the fight against money laundering and the compliance of the precious metals control legislation).

## **2. Ensuring fair competition**

Argor-Heraeus expects its employees to comply with the applicable laws for the protection of fair and open competition. The applicable statutory provisions generally prohibit price or term agreements with competitors, agreements with competitors for the purpose of market or customer allocation, coordinated actions with competitors with respect to prices, terms, market or customers, as well as unfair practices.

## **3. The fight against corruption**

Argor-Heraeus is convinced of the quality of its products and services and the capabilities of its employees. The Argor-Heraeus group absolutely prohibits bribery of customers with money or objects of value. Employees of the Argor-Heraeus group are prohibited from demanding money or objects of value as consideration for the acceptance of products or other services, from promising them, and from accepting them. Argor-Heraeus has issued guidelines, which contain binding provisions for all employees of the Argor-Heraeus group, for the prevention of bribery in commercial transactions as well as for the procurement of goods and services (Guidelines for the procurement of goods and services).

#### **4. The fight against money laundering**

Compliance with the national and international provisions for the prevention of money laundering and the responsible handling of precious metals are of particular importance to the Argor-Heraeus group. Argor-Heraeus has therefore issued to all employees binding guidelines on the prevention of money laundering and the compliance with the Swiss precious metals control legislation. (Internal regulations for the fight against money laundering and compliance of the precious metals control legislation).

Argor-Heraeus actively participates as member of the Association Suisse des fabricants et commerçants de métaux précieux (ASFCMP) and the Council for Responsible Jewellery Practices (CRJP) in the development of industry-specific basic policies for the prevention of money laundering and for the responsible handling of precious metals.

In our continuous efforts for a rigorous compliance with the “Best Practices” regarding the commencement and development of business transactions, Argor-Heraeus pursues a risk assessed “Know your customer” business policy. In addition Argor-Heraeus initiates the dialogue with all relevant partners, amongst which also non governmental organizations (NGO).

#### **5. No illegal activities and violations of regulations by national, international and supranational organizations**

The Argor-Heraeus group does not want to be abused for illegal purposes. This applies to any illegal behavior of its customers, third parties, intermediaries, employees and business partners of the Argor-Heraeus group. The employees are not to let themselves to be entangled in their working environment into illegal procedures nor are they to tolerate illegal actions in connection with the Argor-Heraeus group. That applies in particular to the assistance for criminal tax evasion or to other fiscal delicts including tax evasion, both in the country of the company’s headquarter and in other countries, in which the Argor-Heraeus group is active.

Argor-Heraeus adheres to all national, multinational and supranational laws and dispositions. All employees of the Argor-Heraeus group are obliged to adhere to all official authorization provisions, in particular to valid UN sanctions in force, foreign trade regulations, export and import embargos, as well as permission reservations by official authorities. The detailed regulations are described in the “Internal regulations for the fight against money laundering and the compliance of the precious metals control legislation”, as well as the world-wide valid “Guidelines for the procurement of goods and services”.

## **6. Avoidance of conflicts of interest**

Argor Heraeus expects from its employees to not exert activities or take over tasks, which go against the interests of the Argor-Heraeus Group.

Secondary employment at a company of a competitor, a customer or a supplier are not permitted. Financial investments in companies that are not quoted in the stock market, or of a customer or a supplier are not allowed as well. Financial investments in stock market companies of a competitor, a customer or a supplier must be less than 1%. Exceptions need to be approved in writing by the management of the company. Financial investments by close relatives are to be communicated to the management of the company.

Favoritism for specific business partners due to private interests, in particular favoritism for family members, is prohibited. Even the appearance of favoritism due to private interests is to be avoided.

It is not permitted to make use of one's professional rank or role in order to obtain private advantages, for example sales discounts. The management may grant exceptions.

## **7. Creating and maintaining safe and fair working conditions**

Argor-Heraeus accepts responsibility for its employees and attempts to create and maintain an attractive work environment for its employees. Argor-Heraeus seeks to provide fair wages and reasonable hours of work to its employees in each country, and rejects all forms of forced labor and child labor.

Occupational safety is a high priority at Argor-Heraeus. Argor-Heraeus expects that its employees, in particular its executives, will ensure compliance with the applicable statutory provisions for occupational safety in each case and that they will commit themselves to implementing a comprehensive occupational safety.

## **8. Prevention of discrimination**

Argor-Heraeus expects its employees to respect different life outlooks, religions and cultural or country-specific characteristics when dealing with other employees of the Argor-Heraeus group, with applicants for employment, and with business partners. Argor-Heraeus guarantees to its employees a working environment in which discrimination and sexual harassment are not tolerated. Similarly political or religious activities are not tolerated within the working environment, neither by Argor-Heraeus employees, nor by third parties.

The selection of applicants and business partners is exclusively based on objective and comprehensible criteria.

## **9. Environmental safety**

Environmental safety has a high priority at Argor-Heraeus. Argor-Heraeus considers itself obliged to deal respectfully with the resources of nature. Compliance with applicable statutory provisions for the protection of the environment is therefore self-evident. Beyond that it is Argor-Heraeus' constant endeavour to reduce the quantity of polluting materials and to increase the efficiency of the environmental protection installations.

Argor-Heraeus expects the same compliance with applicable statutory provisions from its business partners. The choice of its business partners is therefore particularly based on these criteria

## **10. Protection of company assets**

The commercial success of Argor-Heraeus is based on the innovative ability of its employees and the knowledge acquired over many decades. As a result, all employees of the company are required to ensure that operational and trade secrets of the Argor-Heraeus group, as well as those of its business partners, do not become known outside of the Argor-Heraeus group. It is not acceptable to disclose operational or trade secrets of the Argor-Heraeus group without permission, nor to use them for one's own purposes without permission.

Argor-Heraeus expects its employees to treat the assets of the Argor-Heraeus group responsibly, and to make business decisions on the basis of commercially comprehensible risk/benefit analyses. This also includes the careful verification of the integrity of the business partners of the Argor-Heraeus group.

Argor-Heraeus places great value on the integrity of its employees. It may be necessary for the Company to review the financial status and personal integrity of the employee.

All documents of Argor-Heraeus, including financial reports, research reports and accounting documents and invoices in particular, must reflect the relevant facts correctly and transparently.

Employees of Argor-Heraeus are not permitted to use business resources for personal purposes, unless such use is granted to the employees through their employment agreement or their superior allows such use. In particular it is prohibited for the employees to use Argor-Heraeus' IT-systems to view, store or dispatch pages or messages with legally forbidden contents.

## **11. Dealings with media**

Transparent, dialog-oriented and consistent information for the public – including the media – strengthens the world-wide image of Argor-Heraeus. Official statements at Heraeus, in particular with respect to the media, may be made for Argor-Heraeus only by authorized employees.

## **12. Implementation and compliance**

The validity of the present code of conduct applies to all companies of the Argor-Heraeus group. The implementation and compliance of the code of conduct within the singular companies is responsibility of the single chief executive officers in loco. He makes sure that his employees are appropriately informed about the contents and the application of the code of conduct and comply with the present code.

In case of questions regarding content or interpretation of the present code of conduct the employees of the Argor-Heraeus group can contact the chief executive officer of the respective company. The latter may then again contact the Compliance-Office of the head offices for any inquiries.

Mendrisio, April 2007