

Code of Conduct for Commercial Activities of the Baumer Group

Basic Behavior Requirements
Ethical Obligations
Dealings with Commercial
Partners and Third Parties
Compliance / Monitoring
Data Protection / Data Security
Handling Information
Environment / Workplace Safety / Health

Code of Conduct for Commercial Activities of the Baumer Group

Contents

Foreword

1.	Basic Behavior Requirements / Ethical Obligations	3
1.1	Corporate Values / Ethical Principles / Law-Abiding Behavior	3
1.2	Responsibility / Inclusion / Leadership	3
1.3	Mutual Respect / Honesty / Integrity	3
1.4	Quality / Customer Satisfaction	4
2.	Dealings with Commercial Partners and Third Parties	4
2.1	Compliance with Competitive and Anti-Trust Legislation	4
2.2	Bribery / Corruption	4
2.3	Granting Financial Benefits and Advantages to Third Parties	4
2.4	Acceptance and Demand of Financial Benefits and Advantages from Third Parties	4
3.	Handling Information	4
3.1	Information / Notes / Reports	4
3.2	Confidentiality	5
3.3	Data Protection / Data Security	5
4.	Environment / Safety / Health	5
4.1	Environmental Protection	5
4.2	Workplace Safety	5
4.3	Health	5
4.4	Risk Management	5
5.	Implementation / Monitoring	6
5.1	Publication of the Code of Conduct for Commercial Activities	6
5.2	Compliance / Monitoring	6
5.3	Contacts in Case of Questions / Violation Reporting	6
5.4	Disciplinary Measures in Case of Violations	6
	Appendix	7

Foreword

Dear employees

The following code of conduct for commercial activities applies to all employees of the Baumer Group. It is intended to provide you with a guideline and to impart clear conceptions regarding the policies underlying contacts with our customers, suppliers and other commercial partners, as well as regulating cooperation of employees among one another.

Since a firm's integrity and good name can represent decisive competitive advantages, continued success is based among other things on law-abiding and ethical behavior and respectful intercourse. It therefore follows that we must set high moral and legal standards for both our strategic deliberations as well as our day-to-day commercial practices and must be consciously aware that the image of the Baumer Group is characterized to a great extent by the demeanor, actions and behavior of each employee. As a corporate group active throughout the world, the Baumer Group maintains commercial relationships with partners which, on the one hand, are based on honesty, integrity and trust and, on the other, must also comply with all local laws and regulations.

The code of conduct represents the self-image of the Baumer Group and its obligation that this maxim is complied with at every location throughout the world. It also goes beyond the mere compliance with any applicable laws and regulations since we expect all of our employees to orient their behavior to the highest standards of moral behavior and integrity.

We also expect our commercial partners to comply with the guidelines of the code of conduct in their commercial dealings with the Baumer Group.

Frauenfeld, October 2009



Dr. Oliver Vietze
CEO & Chairman

1. Basic Behavior Requirements / Ethical Obligations

1.1 Corporate Values / Ethical Principles / Law-Abiding Behavior

Based on our corporate values of partnership, precision and pioneering ability, we strive for the sustainable development of our commercial activities. In doing this we must constantly keep in mind economic feasibility, demands related to environmental protection and our social and corporate responsibility. We meet the varying interests of our customers and commercial partners with behavior which is equitable, fair and honest. We respect human rights within our area of influence and carry out our commercial activities in a manner which makes us an exemplary employer. We respect the principles underlying the International Labor Organization statement regarding fundamental principles and rights in the workplace ("Declaration of Fundamental Principles and Rights at Work") in conjunction with all national laws and customs. Baumer has made compliance with all legal requirements related to commercial activities in every region and nation its highest precept. Legal violations must be avoided under all circumstances. Regardless of any sanctions specified for the violation of a given law, every employee must expect disciplinary consequences to result from the violation of the obligations set forth in his or her employment agreement.

1.2 Responsibility / Inclusion / Leadership

Baumer's reputation is substantially influenced by the correct demeanor and proper actions and behavior of each of its employees. When performing his or her duties, every employee must bear this in mind. Convincing each of our customers of our reliability is a significant factor in our sustained success. Trust can be created through transparency and honesty. We are reliable partners and never promise anything which we cannot deliver. We also exhibit responsibility in the manner in which we select our commercial partners and by ensuring that they too comply with any standards.

Employee abilities and commitment represent essential building blocks for Baumer's successful commercial development. We expect our employees to think entrepreneurially and to take responsibility for their own actions. To achieve this, we include them in our planning and decision-making processes; we promote the required level of transparency and create the necessary conditions to achieve common objectives.

All executives are characterized by exemplary personal behavior, performance, openness as well as social skills, and all bear full responsibility for those employees assigned to them. They set clear, ambitious yet realistic objectives; lead on the basis of trust; and give their employees the greatest possible degree of individual responsibility and freedom. They must meet organizational and supervisory obligations and are responsible for ensuring that no contraventions which might have been prevented through proper monitoring occur within their individual areas of responsibility. Executives continue to be responsible for individual tasks which have been delegated.

1.3 Mutual Respect / Honesty / Integrity

In every Baumer Group department and at every Baumer Group subsidiary, the relationships between executive management, executives and employees are characterized by mutual respect, openness, honesty and faithful cooperation. We will deal with differing opinions constructively and will attempt to maintain active and open communication paths.

We respect personal dignity, the individual's private sphere and the individual rights of all. We work together with women and men from a wide variety of nationalities, religions and skin colors. We tolerate no discrimination, no personal harassment nor insults.

We are open and honest and stand behind our responsibilities. These principles apply to both, internal cooperation as well as to our behavior with respect to external partners.

1.4 Quality / Customer Satisfaction

Our obligation to quality is a codified corporate value and holds central significance. We are continuously working to improve our products and services in order to attain the highest quality standards. Helping our customers to success represents our highest priority, since we are well aware that only their success can guarantee our own. The focus is always on the customer when it comes to our commercial processes and activities. Our actions are determined by the customer's expectations and the requirements of the market. We are conscious of the fact that we are measured not only by our ethical, social and ecological actions, but by the quality of our products and services. In order to maintain our customers' trust we strive for the highest level of performance in every area.

2. Dealing with Commercial Partners and Third Parties

2.1 Compliance with Competitive and Anti-Trust Legislation

We stand for fair competition and a free economy which ensure that our work and our innovations are properly rewarded. The precept of integrity also applies to the struggle to attain market shares. Every employee is required to stay within the rules governing fair competition. Employees are prohibited from reaching any understandings or making any agreements with competitors with regard to pricing, markets or shares. Equally prohibited are any agreements related to renouncing competition, the release of sham offers, or splitting up customers and areas.

2.2 Bribery / Corruption

Baumer strictly prohibits offering, accepting or extorting any form of bribe money. The same applies to the return of any contractual payment ("kickback") and the employment of other methods or channels to provide to or receive from commercial partners any other improper services.

Baumer tolerates no form of corruption and explicitly refers to the "OECD Guidelines for Multinational Enterprises" as well as the "ICC Rules of Conduct to Combat Extortion and Bribery".

2.3 Granting Financial Benefits and Advantages to Third Parties

We utilize the quality and the price of our innovative products and services in our fight to obtain orders. In conjunction with their commercial activities, employees are prohibited from offering or granting any unauthorized advantages either in the form of monetary payments or as other services. Commercial gifts to commercial partner employees must be selected so as to ensure that there is no appearance of impropriety and incorrectness or that they could in any way influence a commercial agreement being reached. Employees concluding agreements with consultants, intermediaries, dealers or other comparable third parties must ensure that these parties are also not offered or granted any unauthorized advantages.

2.4 Acceptance and Demand of Financial Benefits and Advantages from Third Parties

None of our employees may use his or her position in the firm to demand or accept financial benefits and advantages which could influence said individual's personal behavior with regard to his or her activities on the part of the company. Gifts and hospitality within the context of customary usage and which take ethically correct commercial practices and valid legislation into account and do not exceed reasonable and proper expenditures are acceptable.

3. Handling Information

3.1 Information / Notes / Reports

Correct and honest reporting forms part of open and effective cooperation. This applies equally to the relationship with co-workers, customers, commercial partners and public authorities. All information,

notes and reports prepared either internally or distributed externally must be complete, correct and reflect the truth. They may only be used for commercial purposes. This dictate governing the truth of all information also applies to expense accounts.

3.2 Confidentiality

Confidentiality must be maintained with regard to both any customer-specific data as well as to internal corporate matters which have not been made public. These include, for example, details concerning the company's organization and composition, as well as commercial, manufacturing, research and development processes, together with internal reporting figures. The obligation to maintain confidentiality continues to apply after the conclusion of the working relationship.

3.3 Data Protection / Data Security

While the advantages offered by electronic communications and the exchange of information are decisive to every individual's effective work, they also bring with them certain risks related to personal protection and data security. Effective precautions to avoid such risks represent a critical component of IT management, leadership tasks and the behavior of each individual. We are in compliance with all applicable laws and regulations related to the protection, utilization and transfer of internal, confidential and personal data. Customer or personal data may only be collected, processed or utilized to the extent required for specific defined, unambiguous and legal purposes. A high standard must be applied to the quality of the data and its technical protection against unauthorized access. Data utilization must be transparent for those affected, and their right of information and correction and, possibly of appeal, exclusion and deletion must be respected. Confidentiality of the information must be assured at all times.

4. Environment / Safety / Health

4.1 Environmental Protection

Environmental protection and care for resources represent corporate objectives with the highest priority. We are aware of the ecological impact of our commercial processes and feel it is our duty to positively influence the environmental balance through the employment of preventative ecological measures, environmentally friendly technologies and the identification of ecologically innovations. Worldwide environmental management sets high standards and affords compliance with all legislation.

4.2. Workplace Safety

The responsibility towards employees and co-workers demands the best possible levels of protection against accident risks. This applies equally to the technical planning related to work areas, equipment and processes as well as to safety management and individual behavior during the workday. An environmentally friendly design, technical safety and health protection all represent definite target factors during our products' development. Every employee is trained in the application of safety-related measures and is responsible for continuously monitoring his or her compliance with them.

4.3 Health

Our employees deserve a safe and healthy work environment which meets the demands of health-oriented design. We place great value on compliance with our health and workplace safety guidelines and have created a safe working environment where active accident prevention is practiced and the risks of health hazards have been minimized. Illegal drugs, violence in any form as well as threats, intimidation or other assaults in the workplace are illegal in our firm.

4.4 Risk Management

We actively pursue risk management by identifying those corporate processes which could present a risk to the environment, workplace safety or our employees' health. We determine the significance and

consequences of any risk and, to the extent possible, prepare appropriately planned countermeasures. The implementation of associated control processes ensures ongoing monitoring of identified risks.

5. Implementation / Monitoring

5.1 Publication of the Code of Conduct for Commercial Activities

The executive management and the executives of the Baumer Group of companies actively promote worldwide communication of the code of conduct guidelines and arrange for their effective implementation. The code of conduct has been stored on the company's intranet and is available to all employees. Upon being hired, new employees are provided with a copy of the code of conduct and must sign a declaration stating that they have received their copy and that they understand its instructions. E-Mail is employed to update the code of conduct's contents.

5.2 Compliance / Monitoring

The regulations governed by this code of conduct form an integral part of the Baumer corporate culture, which is to be complied with by every employee uniformly and throughout the Group. Not only are employees required to comply with the code of conduct, but must also report any suspected or observed violations of the law, of this code of conduct or of the corporate principles. The same applies should they be induced to violate the stated principles. A violation of the code of conduct is also considered to exist should there be a failure to report any known, suspected or actual violation or if there is a refusal to cooperate during an investigation.

5.3 Contacts in Case of Questions / Violation Reporting

For any questions regarding the implementation of the guidelines or if you are uncertain whether or not a violation exists, please contact your direct supervisor, the Human Resources Department or the executive management. Please also report any violations to this group of individuals. As far as possible, confidentiality will be maintained. Acts of revenge against any employee who in good faith reports illegal or immoral behavior will not be tolerated and will be subject to disciplinary measures. These same measures also apply to any intentional misuse of the reporting option.

5.4 Disciplinary Measures in Case of Violations

Baumer will tolerate no violations of the existing code of conduct and, in cases where the guidelines are disregarded, will institute appropriate disciplinary measures. These may range from a written warning in case of negligible violations up to dismissal for more serious violations.

Baumer retains the right to modify, to supplement or to rescind this code of conduct at any time.

Appendix

Agreements and Recommendations of International Organizations

Aside from the laws and regulations applicable in individual nations, there are also a series of agreements and recommendations from international organizations. They are directed primarily at member nations rather than individual firms. Nonetheless, they represent very significant guidelines for any internationally active organization and its employees. Thus, Baumer feels it is very important that these guidelines be complied with wherever they apply in the world, and expects the same of its suppliers and commercial partners.

The following provides a list of the most significant of these agreements:

- Universal Declaration of Human Rights (UNO), dated 1948, and European Convention for the Protection of Human Rights and Fundamental Freedoms, 1950
- Tripartite Declaration of Principles by the ILO (International Labor Organization) Concerning Multinational Enterprises and Social Policy, 1977, and ILO Declaration on Fundamental Principles and Rights at Work, 1998 (with particular emphasis on the following topic areas: Elimination of Child Labor, Abolition of Forced Labor, Discrimination Prohibition, Freedom of Association and the Right to Collective Bargaining)
- OECD (Organization for Economic Co-operation and Development) Guidelines for Multinational Enterprises, 2000
- ICC Rules of Conduct to Combat Extortion and Bribery
- “Agenda 21” for Sustainable Development (closing document of the UN Conference on Environment and Development, Rio de Janeiro, 1992)