

Code of Conduct of Mitutoyo Europe GmbH

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INDEX

PREFACE-----	3-
1. Relationship with Customers-----	3-
2. Relationship with Business Partners-----	4-
① Sales Business Partners (Business Partners Associated with Sales, e.g. Distributors)-----	4-
② Procurement Business Partners (Business Partners Associated with Development, Purchasing, Production and Physical Distribution)-----	5-
3. Relationships with government and administration-----	5-
4. Maintaining and Promoting Free and Fair Competition-----	6-
5. Handling of Intellectual Property Rights-----	6-
① Intellectual Property Rights of Mitutoyo Group-----	6-
② Intellectual Property Rights of Others-----	6-
6. Handling of Immaterial Assets respectively Confidential Information-----	6-
① Trade Secrets-----	6-
② Personal Data / Information-----	6-
7. Handling of Tangible Assets-----	7-
8. Stance to Anti-social Individuals/Groups-----	7-
9. Relationship between the Company and Employees-----	7-
① Respect for Human Rights-----	7-
② Exclusion of Unfair Labor Practice-----	8-
③ Safety and Health at the Workplace-----	8-
④ Respect for the Opinions of Others-----	8-
⑤ Responding to Illegal or Unethical Conduct-----	9-
10. Complying with Laws and Regulations Aimed at Contributing to World	

Peace-----	- 9-
11. Environmental Protection -----	- 9-
12. Conflict of Interest-----	10-
13. Politics, Communication, Marketing, Events-----	10-
14. Accountancy, Controlling-----	10-

PREFACE

This Code of Conduct (hereinafter referred to as "Code of Conduct") constitutes an ethical guideline for the conduct of all employees (including executives) of the Mitutoyo Europe GmbH for every aspect of corporate activity.

We at Mitutoyo Group will be obliged to conduct ourselves in a manner which complies with the Ethical Conduct Code and choose the ethical way without exception whenever a business decision involves a conflict between profit and ethics.

This code of conduct will be concretized by a substantial in-house "*Code of Conduct Guideline*" for all employees of our company. Next to factual and personal areas of application for the Code of Conduct key words and complicated terms will be defined as well as the necessity and content-related details for realization of the "rules of adequate behaviour" (Wohlverhaltensregeln) that are intentionally represented in compact form hereinafter.

1. Relationship with Customers

- We are well aware of our responsibilities as supplier of products and manifold services. Therefore we will always act in compliance with relevant laws and regulations, as well as internal procedures, especially with regards to environmental protection, hazard preventions by adequate instruction and observation, product quality, product safety and product reliability.

- We will immediately make every effort to prevent damages/losses from developing and problems from recurring by following these prescribed measures in case a problem occurs.
 - Investigating the facts
 - Identifying the cause and the responsibility
 - Communicating to those concerned including the parties outside Mitutoyo
- We will not engage in the act of bribery of our customers. We will strictly adhere to our internal rules when offering or receiving advantages such as business entertainment, gifts or donations. In particular we will not offer, promise or give financial or other advantage to our customers that would result in improper performance. Any discounts, rebates, commissions or any performance related incentives shall be transparent, law abiding and ethically acceptable business practice.

2. Relationship with Business Partners

① Sales Business Partners (Business Partners Associated with Sales, e.g. Distributors)

- We will enter into contracts fairly with sales business partners in compliance with relevant laws and regulations and fulfil our obligations under such contracts.
- We will refer to our internal rules when offering business entertainment, gifts and donations to a sales business partner. We will not give accommodation such as a rebate or commission in exchange for a personal benefit.

② Procurement Business Partners (Business Partners Associated with Development, Purchasing, Production and Physical Distribution)

- We will determine procurement business partners based on rational, fair and transparent criteria.
- We will enter into contracts with procurement business partners fairly in compliance with relevant laws and regulations.
- We will not make use of our market dominating position to impose unfair restrictions or requests on procurement business partners.
- We will refer to our internal rules if we are offered business entertainment, gifts or donations by a procurement business partner and will behave strictly in a manner that avoids misunderstanding by a third party.

3. Relationships with government and administration

- Regardless of the Country, we will always comply with Government-related laws and regulations, and will not give or promise donations to any individual politicians, or other political organizations/parties, beyond the scope of that permitted by law.
- Furthermore, with respect to public officials (including deemed public officials) and/or politicians, etc. who have influence over business negotiations and similar matters, we will not enter into any relationship that entails the provision of advantages, such as business entertainment or gifts, etc. that may be construed as bribery or that shall infringe relevant laws and regulations or equivalent provisions, or foreign laws and regulations, conventions or other similar requirements.

4. Maintaining and Promoting Free and Fair Competition

- We will not behave in a manner that creates obstacles to free and fair competition in compliance with relevant laws and regulations.

5. Handling of Intellectual Property Rights

① Intellectual Property Rights of Mitutoyo Group

- We will appropriately protect and utilize the intellectual property rights of the Mitutoyo Group.

② Intellectual Property Rights of Others

- We will respect the intellectual property rights of others and make every effort not to infringe upon such rights.

6. Handling of Immaterial Assets respectively Confidential Information

① Trade Secrets

- We will always protect the trade secrets of our company and the whole Mitutoyo Group.
- Therefore we will only participate in market information procedures and surveys within the narrow limits pointed out in the "*Code of Conduct Guideline*".
- We will strictly protect confidential information of others acquired through business transactions with them and will not pass such information to other parties nor (we will) illegally seek access to trade secrets of others.

② Personal Data / Information

- We will strictly and appropriately protect personal information in compliance with relevant laws, regulations and internal rules.

③ Insider Information

- We will not deal in financial instruments of any kind (for example stock) based on insider information, nor make insider information public in any way or utter respective recommendations.

7. Handling of Tangible Assets

- We will handle any company equipment, documents and other company properties carefully and responsibly. We will take care that these means are treated in accordance with company procedures and guidelines.
- If temporarily entrusted with third party company assets as part of our business transactions we will avoid any damage, loss or careless handling thereof.
- We will never – especially in connection with investigations or inquiries alter, hide, or destroy important or confidential business documents, as long as this is not permitted by law or internal regulation.
- The company's computer systems are the property of our company. Any utilization outside of the company's interest is executed in compliance with internal regulations.

8. Stance to Anti-social Individuals/Groups

- We will shut out any relationship with corrupt individuals and entities that pose a threat to social order and safety.

9. Relationship between the Company and Employees

① Respect for Human Rights

- We will respect fundamental human rights and will not behave in a

manner that might imply discrimination or abuse of the dignity of individuals.

- We will actively and strongly advocate equal opportunity employment and prevent discrimination against race, ethnic background, gender, religion or weltanschauung, disability, age or sexual identity. This is also true for other inappropriate discriminations for example based on social standing.
- We will not misuse the power of a superior position nor behave in a manner that might be considered as discriminatory practice or mental abuse or physical violence or sexual harassment.

② Exclusion of Unfair Labor Practice

- We will abide by labor laws and regulations and will never commit illegalities such as unfair labor practice, forced labor, or child labor in any aspect of our corporate activities.

③ Safety and Health at the Workplace

- We will abide by the related laws and regulations, and create good working conditions for our employees to protect any adverse effects with regards to mental as well as physical wellbeing.

④ Respect for the Opinions of Others

- We will respect the individual personality and opinions of others. We will explicitly ask our employees to express criticism (positive and negative remarks).
- We will express proposals, concerns, and complaints in a manner which respects the rights and dignity of others.
- No employee may be discriminated in any way due to having expressed his personal opinion.

⑤ Responding to Illegal or Unethical Conduct

- We will inform our immediate superior or the Compliance Officer in case we encounter any conduct that we suspect illegal or a violation of our ethics policy.
- We will refuse any order to commit illegal or unethical acts. We will refer such incidents directly to the Compliance Officer when put at a disadvantage for our refusal to commit such acts.

10. Complying with Laws and Regulations Aimed at Contributing to World Peace

- We will comply with all laws and regulations aimed at maintaining world security and peace. We will not engage in any business transaction that threatens the maintenance of world peace.
- We will strictly control our export activities, both goods and services in compliance with relevant laws, regulations and our internal export control program.

11. Environmental Protection

- We will make every effort, including internal education of employees, to fulfil existing requirements for environmental protection and reduce detrimental effects on the environment for every aspect of our business activities upfront.
- We will strictly adhere to the respective company regulations.
- We will promote our environmental preservation activities.

12. Conflict of Interest

- Employees will not engage in any activity that might create a conflict between interests of the company and their own individual interests.

13. Politics, Communication, Marketing, Events

- We strive to keep our business dealings politically unbiased and as a general rule do not support any party political activities- neither by participation nor by contributions of any kind.
- With regards to external communication the employees will strictly adhere to the regulations of the "Code of Conduct Guideline" and other internal company rules.
- All our activities in the areas of marketing / sales / promotion will be carried out in a fair, honest and lawful manner and will be checked for compliance with statutory regulations.
- When organizing or participating in a gathering of competing companies we will always observe our internal rules to secure lawful conduct and to avoid any misconduct of participants especially with regards to fair competition.

14. Accountancy, Controlling

- All our business transactions will always be duly approved and justifiable, legitimate and coherent. Internal company guidelines, especially internal approval procedures for processing and recording business transactions and investments will always be applied. We will ensure that employees act solely within the realm of their personal authority.

- We will support the fight against illegal money-laundering as an important element for battling organized crime and terrorism by appropriate internal provisions.
- The contact persons for queries and doubts with regards to lawfulness are the immediate superiors or the Compliance Officer.
- With regards to controlling financial transactions we observe applicable embargo regulations and measures for fighting terrorism.

The Ethical Conduct Code does not necessarily cover all matters with which we must comply. When encountering problems that are associated with matters not referred to herein or in the "*Code of Conduct Guideline*" or any other company guideline, or those that you cannot judge by yourself, consult with your immediate superior or the Compliance Officer.