

CODE OF CONDUCT

TO OUR EMPLOYEES, CLIENTS, AND SUPPLIERS

It is with great pride that Sindus Andritz, through one of its representatives, is making the official delivery of our Code of Conduct, which is the company's true letter of intent with the community.

To be representative, our code was developed in a process that involved a significant number of people that make up Sindus Andritz's way of thinking, and its final written version was approved during the III Seminar of Leaders held in November 2001 and was revised in April 2009.

The principles contained in the Code of Conduct reflect "who we are", our way of acting and thinking, and consequently how we want to be perceived as a socially responsible company.

It is worth pointing out that these principles were not established recently, but have been present in our daily actions and have been the base of our corporate success.

Despite this, it is still necessary at this time to make them official and share them with everyone due to the heightened pace of growth of our activities in the different parts of the country and abroad. This will make it possible for all of our employees to act in compliance and harmony with these values.

With the implementation of the Sindus Andritz Code of Conduct, we wish to firmly consolidate and improve our relationship with all of our stakeholders in search of reciprocal growth.

We count on you!

Luis Fernando Binotto

CEO

April/2009

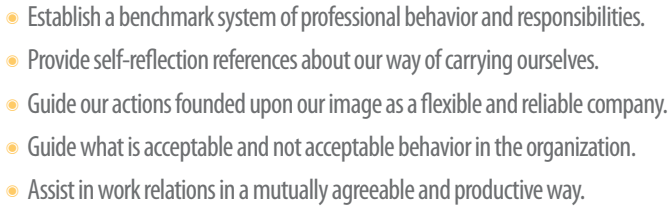


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1. INTRODUCTION

The present code establishes the principles of conduct, conventions, norms, and benchmark standards in areas of professional ethics for all employees working for Sindus Andritz. The objectives of these principles are as follows:

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- Establish a benchmark system of professional behavior and responsibilities.
 - Provide self-reflection references about our way of carrying ourselves.
 - Guide our actions founded upon our image as a flexible and reliable company.
 - Guide what is acceptable and not acceptable behavior in the organization.
 - Assist in work relations in a mutually agreeable and productive way.


Therefore, this Code of Conduct brings together the guidelines that should be followed in our professional actions in order to reach continually higher ethical standards while carrying out our activities.

2. HOW TO USE IT

2.1. IN DAILY ACTIVITIES

The Sindus Andritz Code of Conduct was designed as an instrument for giving support to the company's daily decision making process for both the managers as well as all other Sindus Andritz employees.

Therefore it should always be used in good faith and in the intention of continually improving internal relations and not as an instrument for institutionalizing punishment for a possible failure to comply with one of the principles contained herein. With this in mind, below are some examples of expected conduct that is compatible with the Company's values and with the results intended to be reached:

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- Contribute actively and in a responsible way in order to comply with and improve this Code of Conduct by means of constructive criticisms and suggestions in order to enhance the quality of the work.
 - Question orientations given that are contrary to the Company's principles and values.

2.2. WHAT TO DO WHEN IN DOUBT OR WHEN FACED WITH ACTIONS CONTRARY TO THE CODE'S PRINCIPLES AND STANDARDS

Problems of conduct, for the most part, are not created by people themselves, but they simply arise before them and demand that they deal with them.

The general lines of this code make it possible to evaluate the great majority of the situations, but do not give details, necessarily, on all the problems that may arise in your daily activities. Because of this some doubts may arise about which conduct would be the most correct to adopt. In these cases, act sincerely and transparently and do not hesitate to call upon your immediate manager in order to come up with the best solution. If necessary, call for support from other departments such as HR.

Communicate with your boss immediately and in written form in the following cases:



- If you feel like you are in a situation that could be characterized as a conflict of interests.
- When you suspect or have knowledge of facts that could harm the company or that are contrary or seem to be contrary to the principles of this code.

By doing this you will be protecting your reputation and carrying out your duty of reinforcing the Company's ethical principles.

3. SCOPE



The Code of Conduct applies to all the Company's employees and its partners and/or representatives in all their activities in name of Sindus Andritz, on its own premises or those of its clients.

4. GENERAL PRINCIPLES - COMPANY'S PHILOSOPHY

All employees and partners shall be committed to watching over the values and image of Sindus Andritz while keeping a deportment that is compatible with this image and values and acting in defense of the interests of the Clients and the Company.

4.1 COMPANY'S VALUES

TRUST

This is the main ingredient of our relations. To act based on trust is to use high ethical standards, have genuine respect for people, be trustworthy before others, and be capable of building true and lasting relationships.

TRANSPARENCY

This is the capacity of being intrinsically true in actions and relationships with the various stakeholders while showing respect and reliability. It is characterized by what we do and not only what is said. In other words, it is perceived by the integrity between the values and ideas declared and the attitude shown.

HUMILITY

Humility is an important element in building healthy relationships between both colleagues and clients. Arrogant attitudes, always being right, lack of respect for the opinion or ideas of others, and giving the impression of always knowing everything are opposite to what is expected.

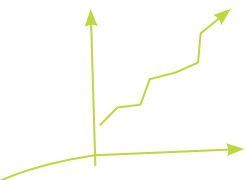
INNOVATION

This is the capacity to add value for the client and to Sindus Andritz's business through contributions in processes and products that bring improvement in productivity, quality, and cost. Innovation is associated with an effective result for the client or for the Company.

RESULT

This is the capacity of carrying out your activities under the premise of reaching targets or results established taking into consideration the variables of deadline, cost, quality, and alignment to values. Deliver results involves setting priorities, dealing with adversities, and taking advantage of learning together with all of our contracts.

5. RELATIONSHIPS WITH SHAREHOLDERS



1. The managers at Sindus Andritz shall carry out their actions together with the other employees in order to reach higher levels of competitiveness and profitability so as to compensate the shareholders in a way that is fair and compatible with the capital employed.
2. Therefore the Company's managers shall keep the shareholders aware about the

progress of the most relevant activities as well as about Sindus Andritz's performance through precise, transparent information and soon enough for an adequate assessment.

6. RELATIONSHIPS WITH EMPLOYEES

6.1. DEPARTMENT

1. It is expected that employees respect the existing hierarchical channels for solving daily problems. The initial context should be their department or contract and after that make use of the areas responsible at Headquarters. Each immediate manager shall be the main link between his/her team and the Company.
2. The manager shall not make promises about issues that are not under his/her authority when dealing with their employees. Special caution should be taken as for communicating awards, bonuses, transfers, compensations, etc.
3. The decisions of the managers shall respect the company's current Standards and Policies or, if these are absent, revert to the competent channels.
4. Each employee shall be responsible to cultivate a professional appearance, especially as related to hygiene, which includes any uniform that may have been designated for a certain position.
5. Relationships within the Company shall be characterized by personal and professional respect with an emphasis on cooperation and maturity.
6. The following behaviors are not acceptable in our professional relations and work environments:
 - a. Any attitude that discriminates people because of their color, gender, religion, origin, social class, age, or physical disability
 - b. Abuse of power
 - c. Psychological, physical, or moral intimidation
 - d. Sexual harassment
 - e. Jokes of poor taste
 - f. Criticism of colleagues and the Company at inappropriate times
 - g. Loan involving people within a hierarchical relation
 - h. Sales of illegal products or in a way that disrupts the team's productivity
 - i. Extramarital relations between company employees

7. The practice of smoking shall be avoided. If it does occur, it must be within only designated areas, disposal being in appropriate locations, while also respecting the other people as to proximity.

6.2. ADMISSION, PROMOTION, AND DISMISSAL

1. Current employees shall be considered first for filling existing openings as long as they meet the requirements and strategies for filling the position.
2. Sindus Andritz shall welcome indications from employees and people of their acquaintance for filling existing positions in the company. All indications, however, will not characterize a privilege of any kind to the person being recommended, who shall apply for the vacancy under the same conditions as the rest of the candidates.
3. Sindus Andritz considers that the professional and behavioral improvement is the responsibility of both the employee as well as the company.
4. In the performance assessment processes of its professionals, for either compensation, promotion, or remaining in the company, Sindus Andritz shall take the following items into consideration along with the aspects inherent to the function:
 - a. Technical competence
 - b. Behavioral profile in line with the Company's values
 - c. Willingness to take on new challenges
 - d. Mobility and availability to set up residence in other regions
 - e. Relativity to market parameters when possible
 - f. Capacity to work on a team
 - g. Enjoy learning and sharing knowledge
5. Each manager shall give special attention to managing the careers of the professionals on his/her team, taking proactive steps to keep them in harmony with Sindus Andritz's values.
6. The process of dismissing any employee should be the last stage in the career management process, preceded with clear and specific feedback, and shall always be treated in a very respectful way. The option of dismissal shall always be a decision shared among the managers involved and the HR Department, except for emergency situations.

6.3. SAFETY AND PHYSICAL INTEGRITY

1. Sindus Andritz carries out its activities with a concern for protecting the safety and health of its employees.
2. It is up to Sindus Andritz to make available information that may be necessary about the industrial process and its risks in order to engrain a preventionist vision in its teams.
3. It is essential that everyone work with the following attitudes during their activities:
 - a. Follow the safety norms established by Sindus Andritz and its clients in detail, especially in regards to Personal Protective Equipment (PPE), Collective Protective Equipment (CPE), and uniforms.
 - b. Participate actively in the safety actions and programs such as CIPA (Accident Prevention Internal Committee), Daily Safety Talk, etc.
 - c. Watch over their own physical well-being as well as that of their colleagues, carrying out activities only when they are qualified to do so.
4. Sindus Andritz considers that the managers are multiplying agents and are co-responsible for the success of the actions related to the safety and physical integrity of their employees.

6.4. MATERIAL AND INTELLECTUAL RESOURCES

1. The employees shall respect and protect the assets belonging to Sindus Andritz and shall watch over their preservation while using them in an appropriate manner.
2. All the facilities, equipment, media resources, and uniforms, independently of their nature, are provided by Sindus Andritz or by the client for the employee to use for official work purposes only unless a private use has been explicitly authorized according to the current internal standards and practices.
3. When damages, charges, or liabilities result from inappropriate use, loss, or misplacement of the company's assets, the employee shall be responsible for the resulting expenses, such as the following examples:
 - a. Traffic tickets
 - b. Maintenance/replacement of the company's assets (machines, equipment, tools, vehicles, facilities, etc.)
 - c. Intellectual property (handouts, manuals, software)



4. While carrying out their activities, employees shall take all the appropriate measures toward optimizing costs and expenses for Sindus Andritz, and this way contribute to a better management of the resources available.

7. RELATIONSHIPS WITH CLIENTS

7.1. SALES

Sindus Andritz has the following commitments with its clients:

1. Sell products and services that it is able to deliver within the specifications and terms agreed:
 - a. Not promising something that cannot be done.
 - b. Keeping the client informed about the variances to what was previously agreed.
 - c. Making sure that the client is given compensation alternatives if for some reason what was agreed cannot be delivered.
 - d. Taking the responsibility for liabilities resulting from lawsuits from its employees against the client, when applicable.
2. Sell products and services that it believes to be mutually advantageous, meaning that it has added-value for the client and brings a return for Sindus Andritz.
3. Act with transparency when selling and negotiating its products:
 - a. Neither paying nor accepting bribes.
 - b. Not offering prizes, presents, or favors that cause discomfort and/or favors whether because of their value or due to the situation in which they are offered.

7.2. PRODUCT

1. All the documents and official statements of Sindus Andritz shall contain reliable information:
 - a. False reports, indicators, or any other documents shall not be issued, even at the client's request.

- b.** Declarations of any kind that do not correspond to the reality shall not be permitted.
- 2.** All Sindus Andritz employees shall take care of the client's material and intellectual assets:
 - a.** Not sharing information considered confidential without previous written authorization.
 - b.** Using the client's resources and equipment in a rational and careful way.
 - c.** Using the name and logo according to the client's orientation.
 - d.** Being responsible for the damages caused to the client's assets resulting from poor use.
 - e.** Sharing with the client the decisions that involve risk to its assets, to the environment, and to physical safety.
- 3.** Sindus Andritz will behave in a professional manner in its recruitment and selection processes:
 - a.** Not contracting employees of clients or partners without written authorization or consent on their part.
 - b.** Respecting the internal rules of recruitment and selection in the case of indications from clients.
- 4.** Sindus Andritz will set priorities for its actions based on the objectives contracted:
 - a.** Avoid services and activities of a personal nature for the client and in situations that are inevitable, these shall be overseen by the person responsible at Sindus Andritz.
 - b.** Alerting and submitting in written form when the client is carrying out the activities in a way that will compromise the objectives contracted.

7.3. EMPLOYEE-CLIENT INTERFACE

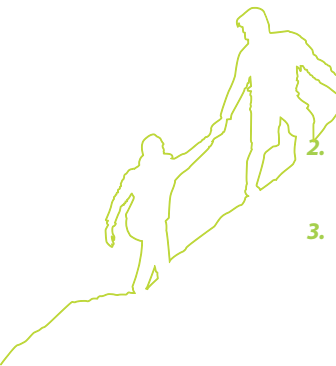
- 1.** Every Sindus Andritz employee will have a response that respects the positions and opinions of its clients, but also not being afraid to disagree with them when convinced that this could add value:
 - a.** Respecting the client's values and the aspects of culture that the client would like to preserve.
 - b.** Focusing on facts while maintaining a professional and calm response.

- c.* Not carrying out activities or taking on positions that could put at risk the client's physical and moral integrity, or of the team, even in situations of pressure from the client.
 - d.* In the case of decisions imposed by the client that involve asset risks, their responsibility shall be put in writing or with a testimony.
- 2.** Every Sindus Andritz employee shall represent the company's legitimate interests:
 - a.* Carrying out discussions with the client in a respectful, coherent way.
 - b.* Not superimposing their own name over that of the company.
 - c.* Defending in a professional way the positions reached by the company, even if they are divergent from their individual position.
 - d.* Discussing the operational problems and complaints internally in a specific forum.
 - e.* Using the official means of communication offered by Sindus Andritz for interacting with the client.
 - f.* Reporting any extraordinary complaints and requests from the clients to the Sindus Andritz person responsible.
 - g.* Not competing with Sindus Andritz in the direct sales of their services to the client.
 - h.* Not taking advantage of personal relations with the client to obtain benefits for yourself, of any kind, under the auspices of the company.
 - i.* Not beginning or spreading information of a personal nature within the company or to clients (gossip).
 - j.* Not requesting or giving loans to clients.
- 3.** Each Sindus Andritz employee shall be responsible for their own decisions and actions:
 - a.* Recognizing the influence of their attitudes on the results reached.
 - b.* Making an adequate analysis that avoids making the same mistake.
 - c.* Not transferring the responsibility to the person requesting the activity or others.

8. *RELATIONSHIPS WITH SUPPLIERS*

- 1.** Sindus Andritz will take the following actions in their relationships with suppliers:

- a. Giving preference to local suppliers in the communities where we operate when the supply conditions are similar.
- b. Giving preference to suppliers that work with social and environmental responsibility (compliance with fiscal obligations, absence of child labor, environmental aspects, etc.).
- c. Working only with suppliers that have a trustworthy reputation.
- d. Working whenever possible with companies whose people management practices are compatible with those of Sindus Andritz, especially in regards to occupational safety aspects.
- e. Working with suppliers committed to the Sindus Andritz business.
- f. Not acting in a predatory way in the acquisition processes.

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2. The employees of our partners shall be treated in the same way that Sindus Andritz employees are expected to be treated.
 3. It is not acceptable to receive prizes or presents that cause discomfort whether because of their value or due to the situation in which they are offered.

9. RELATIONSHIPS WITH THE PUBLIC SECTOR AND INSTITUTIONS

9.1. PUBLIC SECTOR

1. Sindus Andritz employees, when in contact with employees from the public sector, shall observe the highest standards of honesty and integrity at all moments and never allow their conduct to seem inappropriate.
2. Each employee shall act in harmony with the standards of conduct established by Sindus Andritz when defending the company's interests with Public Bodies, always complying with current laws and rules.

9.2. RELATIONSHIP WITH UNIONS

1. Sindus Andritz maintains a relationship of respect with the unions and does not practice any type of discrimination against unionized employees.

10. RELATIONSHIPS WITH COMPETITORS

1. Sindus Andritz's objective is to grow and expand in an ethical and lucrative way. Therefore, in its relationship with competitors, the company will act according to the market's legal practices guided by the following principles:
 - a. Adopting healthy competition practices.
 - b. Emphasizing the positive points of Sindus Andritz instead of the negative aspects of the competition.
 - c. Working on a basis of cooperation with the competition if this is convenient for the companies and for the client.
 - d. Not defaming the competition.
 - e. Not obtaining information by illicit means.

11. RELATIONSHIPS WITH THE ENVIRONMENT

1. Sindus Andritz employees shall respect environmental norms and procedures whether internal and/or established by the clients, both at its facilities or away from them. Therefore, every Sindus Andritz professional shall act as follows:
 - a. Being attentive to information related to the environmental impacts associated with the equipment they work with while maintaining a proactive position in identifying and informing the client about any abnormalities or potential environmental risks.
 - b. Making rational use of consumables and avoiding the use of substances that cause environmental damages.
 - c. Transporting chemical products, cylinder gases, etc. according to the safety criteria established.
 - d. Storing all chemical waste, maintenance waste, as well as surplus and/or damaged materials in locations prepared for this purpose or according to disposal policies internal to Sindus Andritz or to the client (e.g. buffer solution, mercury, oil, batteries, electrochemical cells, glass thermometers, glass, radioactive elements, etc.).
2. Activities or interventions that cause environmental damages and/or unnecessary risks to physical integrity shall not be tolerated, even if derived from lack of knowledge of the process.

3. Whenever there is a need to intervene in equipment with a radioactive principle, this shall be done by professionals who are qualified to do so, while respecting the limits of actions and security procedures.
4. Sindus Andritz does not encourage the technical indication of equipment with radioactive emission where other compatible technologies are available that could be used.

12. RELATIONSHIPS WITH THE COMMUNITY

1. Sindus Andritz attempts to support actions focused on the exercise of citizenship and on the development of the communities where it operates through the following actions:
 - a. Specific programs with a focus on education and professional qualification of underprivileged teens.
 - b. Association to programs developed by their clients.



13. MANAGEMENT OF THE CODE OF CONDUCT

The management of the Code of Conduct is given to the Human Resources Development Department, which is responsible for its communication, updating, and application, as well as for offering support in the decisions regarding conflicts of conduct.

The solution of the conflict or situation shall be treated by the HR Department in a specially designated forum and, through dialog, reach the best solution or opting to apply the necessary measures.

REVISIONS CONTROL

**Revision 1
Jan/2009**

- Exclusion of item 14 - Management of the Code of Conduct - topics related to Appointed Counselor, Group of Counselors, and Ethics Council.
- Adjustment of the text in item 6.2 - Admission, Promotion, and Dismissal - topic 6.
- Adjustment of the text in item 6.3 - Safety and Physical Integrity - topic 4.
- Item 13 - What to do when in doubt or when faced with actions contrary to the code's principles and standards - was placed together with topic 2 - How to Use It.
- Spelling and grammar revision throughout the entire document..

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