

<b>valartisgroup</b>		INTERNAL
<b>Valartis Group Code of Conduct</b>		
Approved on: 02. March 2010	Approved by: Board of Directors	Entry into force: 01 April 2010

## 1. Objective and scope of the Code of Conduct

This Code of Conduct (the "Code") defines the principles of the business activities of Valartis Group and all its subsidiaries (together referred to as "Valartis"), all members of the Board of Directors and all Valartis employees.

It applies to all Valartis Group companies. All Members of the Board of Directors and employees of these companies must adhere to this Code at all times.

The purpose of this Code is to establish and maintain high standards of business conduct and ethical behaviour. It guides us when we interact with our interest groups such as clients, employees, shareholders and business partners. The Code also defines our conduct with regard to regulators.

It serves as guidance for proper behaviour and provides explanatory examples. We expect the Board of Directors and all employees to observe this Code and to conduct themselves impeccably at all times. In doing so, Valartis aims to meet its requirements as a responsible financial service provider. In cases of doubt, we expect that you rely on your own sense of good judgement while adhering to the principles of this Code.

Group-wide compliance with this Code is fundamental for the culture and values of our company.

In order to meet our responsibility to stakeholders and also to inform them about the status of the Group in an ethically correct manner, Valartis undertakes to provide up-to-date, precise and understandable information when making public announcements. Valartis endeavours to provide complete, correct and transparent information in good time as part of disclosure obligations to supervisory authorities and the public, in reports, documents and all other means of communication.

Our financial duties of disclosure should also correspond to the prevailing sector norms at all times.

In order to achieve this, we are striving

- to promote a culture that is characterised by excellence and innovative strength as well as mutual respect
- to cultivate a business practice that focuses on our clients and employees at all times
- to promote an environment that is designed to attract, develop and retain highly qualified employees;
- to establish a reputation as an innovative financial group that focuses upon private banking and investment banking and acts as a niche player in the area of asset management.

To achieve this we must define rules and ethical values that are binding for everyone and which we can communicate externally. These values are listed in the following principles.

## 2. Basic principles

The name Valartis should stand for our distinctive expertise in the areas of private banking, investment banking and asset management and be associated with a financial group and bank which are valued for their advice, innovation and results.

The core ethical values described below, such as integrity, responsibility, respect, compliance and discretion, are essential for the success of our company.

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## 2.1 Our core values

### 2.1.1 *Integrity*

Our reputation with regard to integrity, fairness and professionalism is of fundamental importance for our long-term success as a financial group. We respect the interests of our stakeholders (particularly shareholders, clients, employees, business partners, and government and supervisory authorities) and the Group as a whole. We maintain an open dialogue with our stakeholders.

We endeavour to adhere to the highest ethical standards in all decisions we make. When deciding on measures, we take into account not only compliance with the relevant regulations, but also whether the measures are consistent with our values. It is the duty of each individual to support the Group in the advancement of its legitimate interests. If the interests of the Board of Directors or Group employees differ from those of the Group when advancing their legitimate interests, Compliance must always be consulted.

In all our areas of activity, we seek competitive advantage through superior performance rather than using any unfair business practices. Accordingly, we do not provide or accept improper gifts or favours when dealing with our clients and prospects.

Nobody should derive any unauthorised personal benefits from business opportunities, which arise through the use of company property and information or on the basis of his or her position. It is forbidden to use company property or information or a position within the company for personal gains. Neither members of the Board of Directors nor employees may compete personally against Valartis.

### 2.1.2 *Responsibility*

We take responsibility for our actions and results and honour our commitments to stakeholders:

- **Shareholders:**  
We strive to act responsibly with our shareholders' investments and to provide a superior and sustainable return by focussing on the long term.
- **Clients:**  
We consider client confidentiality as paramount and aim to protect it at all times. We aim to provide our clients with innovative and specially tailored services, which offer excellent value for money. We draw on the Group's entire range of products, providing this is what the client wants and this is permitted by the regulations. It is our goal at all times to provide clients with the best possible advice and not to primarily sell our own products.
- **Employees:**  
We are committed to offering interesting and challenging positions with compensation that is in line with the market, to providing equal opportunities in an environment of mutual respect and to promoting personal and professional development.
- **Service providers:**  
We seek mutually beneficial relationships with contractors, suppliers and other partners. We endeavour, where appropriate, to attain solutions for the entire Group.
- **Government and supervisory authorities:**  
We work actively with the authorities to attain and maintain optimal standards for risk management and compliance and to ensure error-free financial reporting at all times. In order to mitigate systemic risks and protect our clients, we approach the supervisory authorities proactively so that appropriate solutions can be attained. In such cases, our clients are given top priority at all times.

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- Society:  
We want our company to operate as a responsible member of society as a whole. In all our activities, we always consider the interests of the collective community and incorporate them into our actions to the greatest possible degree.

### **2.1.3 Communication**

We are committed to communicating with our stakeholders in a fair, correct, transparent, professional and timely manner. The information that we provide, in particular in the reports and documents that we submit to government authorities and communicate in other public messages, is complete, fair, accurate, objective, timely and understandable in all material respects.

Our main objective is to provide as much information as possible and in a timely fashion. Our communication policy attaches great importance to the provision of comprehensive information.

### **2.1.4 Respect**

We believe in respectful and fair treatment of all our stakeholders, and in particular of our employees. We aim to position our company as an employer of choice and strive to ensure the following:

- A work environment that is designed to attract, develop and retain highly qualified employees;
- An SME structure with global focus and rapid decision making
- Equal opportunities, irrespective of ethnicity, nationality, gender, sexual orientation, religion, age or disability;
- A safe and healthy work environment free from discrimination, harassment or reprisals;
- An “open door” policy that gives every employee access to management;
- A culture based on performance, with a competitive remuneration system and fair and objective periodic evaluations that take account of personal contributions towards team performance and towards the realisation of objectives as well individual compliance with this Code and internal directives;
- Support of employees in education and further training.

### **2.1.5 Compliance**

Valartis strives to comply with all relevant internal and external regulations. We are committed to creating and maintaining a simple but exemplary control and compliance environment. To do so we draw on simple processes and a lean structure.

Each member of the Board of Directors and all employees must:

- lead employees through exemplary conduct and comply with all applicable internal and external regulations;
- be familiar with not only the internal and external regulations, but also with all customs and practices (business practices) in the respective areas of activity and to implement the prescribed measures and approaches diligently and to the best of their abilities;
- act in good faith, responsibly, with due care and competently at all times without misrepresenting material facts;
- protect Valartis’ assets and resources and promote their efficient and legitimate use;

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- immediately report any legal breaches or other forms of misconduct in accordance with the directives and procedures of Valartis Compliance or the responsible control body so that any such issues can be duly addressed;
- prevent money laundering, the financing of terrorism and criminal activities and corruption. To do so we take the following steps:
  - We use effective, dynamic, risk-based anti-money laundering programmes that aim to prevent, recognise and report possible cases.
  - We are committed to the know your client principle and strive to confirm the safety of client relationships by carrying out reviews. To do so we maintain comprehensive client profiles for all our clients.
  - We review adherence to due diligence for our clients on an ongoing basis, regardless of whether they are new or existing clients. Systematic checks are also carried out so that any suspicious activities can be identified. Suspicious cases are reported immediately to line management or the responsible control functions.
- handle insider information in a correct and confidential manner and, in particular, not misuse this material (need to know principle). We adhere to the following principles:
  - We clarify whether or not the information entrusted to us should be treated as important non-public (insider) information.
  - Internal and external parties are only provided with access to insider information in strict concordance with our internal procedures and the applicable internal and external regulations.
  - We only use insider information for the purpose for which it was originally – legally – provided to us.
  - We keep “watch” and “restricted” lists which list members of the Board of Directors and employees who have insider knowledge and thus may no longer conduct certain business. The individuals are monitored closely with regard to these business activities. Breaches are reported immediately to line management or the responsible control function.

#### **2.1.6 Conflicts of interest**

As a globally active finance group, Valartis has set itself the objective to recognise, regulate or prevent potential conflicts of interest as part of its business activities. We take all existing internal and external regulations into account.

It is not always possible to avoid conflicts of interest. For this reason, we implement all appropriate measures which can contribute to the identification and correct handling of such instances. In order to implement these measures, we take effective organisational and administrative steps to identify conflicts of interest and to eliminate or regulate such instances to the greatest degree possible. To achieve this, each employee is obliged to report potential conflicts of interest to Compliance or the responsible control function.

#### **2.1.7 Discretion and confidentiality**

We treat confidential information as such and do not disclose any non-public information concerning Valartis, its clients or its employees unless required to do so by law.

We use suitable methods to control and monitor the internal and external transfer of confidential and sensitive information wherever possible. This information is disclosed on a strictly need to know basis.

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Where we are involved as a bank, bank-client confidentiality is always given top priority in all our activities.

**2.1.8 Risk culture**

We base our business operations on disciplined and intelligent risk-taking. We believe in independent risk management, compliance and audit processes with full management accountability, for the interests and concerns of our stakeholders.

We follow the principle that we should only enter into risks which we can assess and evaluate and which we can also bear. If this cannot be guaranteed, we do not enter into the risk.

**2.1.9 Client orientation**

Valartis is a niche player in several areas. In these areas we must provide our clients with first-class services. We believe that knowing our clients' individual needs, and demonstrating the ability to quickly implement new ideas using our expertise combined with a prompt service, can make a decisive contribution to the success of our clients and the company. We only promise what we can deliver.

We are committed to achieving excellence by continually improving and examining our business practices and processes to deliver superior results for our stakeholders on the basis of openness, fairness and trust. Here we benefit from being able to simply bring together and combine specialist knowledge from the various areas. In order to provide clients with this service, we ensure that we also maintain an open channel of communication with our employees during the development of new business practices.

**2.1.10 Sustainability**

We believe that ensuring a sustainable approach to business and thus sustained profitability is one of the keys to our long-term success. We therefore take account of environmental and social issues in our business decisions and when managing our resources and infrastructure.

We also conduct business in the BRIC region, meaning we can also achieve steady sustainability here – in particular through broad diversification (e.g. corporate finance and real estate projects in addition to various banking activities) – as well as for ourselves.

We take a long-term approach to our client relationships. We want to advise our clients in all phases of their lives and consistently offer them the optimal solutions for their specific situations.

**2.1.11 Cooperation**

We believe in generating added value for our stakeholders by working together across businesses areas and regions to leverage our individual and collective strengths and abilities. In doing so we also call in our specialists across different countries.

**2.1.12 Commitment**

We recognise the individual efforts of employees. In return, we expect that every member of the Board of Directors and employee contributes her or his very best to implementing our visions and principles, as well as displaying commitment and drive.

**2.2 Adherence to this Code**

Our reputation – next to our clients – is our most important asset. We therefore support our employees in reporting breaches of internal or external regulations to Compliance or HR so that appropriate measures can be implemented. Reports may be made on a confidential, anonymous

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basis. Retaliation against any employee who makes reports in good faith is prohibited. This is monitored by Compliance and HR.

Compliance and HR assess whether any breaches of this Code or the regulations have occurred and determines which disciplinary measures are appropriate and permitted under applicable local law. This applies in the following cases:

- Individuals who fail to take reasonable care to identify breaches;
- Individuals who withhold material information when asked to disclose the details of a breach;
- Supervisors who approve or condone breaches or who seek to retaliate against employees or third parties who have reported breaches or identified the individuals responsible for them.

All members of the Board of Directors and the Executive Board personally endorse this Code and pledge to uphold it at all times. They strive to make sure that it is implemented as consistently and effectively as possible throughout Valartis to ensure that we can gain and maintain the trust of all our stakeholders and thus secure our long-term business success.

The members of the Executive Board and all senior financial officers must disclose to Compliance full details of any personal or professional transactions or relationships that could represent a conflict of interest for Valartis or one of its business areas.

We will generally not grant any waivers of or exceptions to the provisions of this Code. Any waiver of or exception to any provisions of this Code for any member of the Board of Directors or the Executive Board or for any senior financial officers can only be granted by the entire Board of Directors and will subsequently be disclosed as required by applicable law or applicable stock exchange regulations. Any waiver or exception for any other employee can be granted only by Valartis Compliance.