

**HENSLEY'S WORLDWIDE CODE OF
BUSINESS CONDUCT**

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Hensley is committed to maximizing its corporate value through pursuing "Quality and Reliability." We at Hensley believe our corporate value is the total sum of trust given to us by society and all stakeholders. To enhance this trust, we need to not only improve our business results and the soundness and transparency of management, but also become a company which enjoys an even higher level of trust from society. Therefore, it is becoming even more important for us to comply thoroughly with the Rules of the Business Community (the "Rules").

The Rules are not limited to laws and regulations applicable to our business activities. They also include those rules that are generally recognized and respected in society. Today, as the companies' role in the society grows more and more important, we should regard it as an essential part of the Rules that each constituent member of a company fully recognizes the notion of "Corporate Social Responsibilities" and behaves in response to the trust of society.

From the wide-ranging Rules, we have picked up and embodied in this "HENSLEY'S WORLDWIDE CODE OF BUSINESS CONDUCT" (the "Code") those basic principles and ways of thinking that should be observed and followed no matter where you are located in the world. The "Code" constitutes an important set of guidelines as to how we can make Hensley what it should be. The top management and employees around the world should carefully read, understand and abide by the Code.

Obviously, this booklet has limited pages and it is not possible to cover all the Rules. Furthermore, details of the Rules may well differ from region to region or from country to country, even though the fundamental principles remain the same. Therefore, when handling particular matters, the top management and managers, as well as employees, are expected to reconfirm what exactly are the relevant Rules in light of Hensley's basic stance and principles provided in the Code.

In addition to the Code, Hensley distributes "FIVE PRINCIPLES OF COMPLIANCE" and "MESSAGE CONCERNING OCCUPATIONAL SAFETY AND HEALTH" to its offices throughout the world. "FIVE PRINCIPLES OF COMPLIANCE", which has been revised together with the Code, represents basic actions to take for the compliance with the Rules. "MESSAGE CONCERNING OCCUPATIONAL SAFETY AND HEALTH" supplements those principles of occupational safety and health as set forth in the Code and makes it clear that Hensley gives the first priority to safety. Each and every employee of Hensley around the world is expected to follow and implement these principles and the message, as well as the Code, in their daily work.

December 1, 2015

FIVE PRINCIPLES OF COMPLIANCE

- 1. Regardless of the circumstances, you must always comply with the “Rules” and fulfill the trust of society.**
- 2. Ignorance of the Rules will not be tolerated. If you are not sure, you must check the Rules by yourself and consult a specialist for anything important.**
- 3. Never patch over or cover up any mistake or failure to follow the Rules. You must immediately report them to the company’s manager/department in charge.**
- 4. You must correct any mistake or failure to follow the Rules without delay and implement effective preventive measures to ensure that it does not happen again.**
- 5. Never take any action to prevent or hinder any person from reporting to the Compliance Hotline (whistle-blowing) or to other relevant offices of the company; never take unfavorable action against that person.**

(Hensley is committed to ensuring that no unfavorable action will be taken by any Hensley entity against any person for providing such reporting or whistle-blowing.)

Every single employee of the Hensley Group must obey these Principles in order to make Hensley a company that is truly trusted by society.

MESSAGE CONCERNING OCCUPATIONAL SAFETY AND HEALTH

- 1. Hensley shall, first of all, strive to “ensure a safe and comfortable work environment” and “maintain and promote employees’ health.”**
- 2. Hensley shall promote “proactive occupational safety and health activities” in order for all employees to achieve the above conditions by working together as one team.**
- 3. Each and every person in a senior management position of Hensley shall acknowledge as top priority tasks the above two matters and shall take the initiative in demonstrating the execution of daily duties accordingly.**

The persons who are in charge of occupational safety and health as well as all other employees are requested to promote specific activities based on the above message, specifically according to the following action guidelines.

- (1) To fully understand and comply with the laws and regulations concerning occupational safety and health as well as internal rules, and promptly respond to any problems.
- (2) To respond to problems through fact finding activities by all employees. To accomplish the above task, management and the labor union are expected to work together and further improve communications.
- (3) To make the utmost daily efforts to prevent fires or other disasters by any means and remove all possible risks at workplace. It's also required to make the utmost efforts to minimize the damages if a natural disaster should occur.
- (4) To create a comfortable and engaging work environment for sound mental and physical health of employees.
- (5) To proactively strengthen occupational safety and health efforts not only within Hensley but also at our partners, such as customers, distributors and suppliers.

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1

MANAGEMENT PRINCIPLES

The essence of Hensley's management is to maximize its "Corporate Value" through the pursuit of "Quality and Reliability." We believe in the notion that "Corporate Value" represents the total sum of trust the general society and our stakeholders place in Hensley.

In order to gain more trust, Hensley shall duly take into consideration Hensley's Corporate Social Responsibility ("CSR") and shall strive toward the following:

A. Pursuit of Quality and Reliability

The pursuit of "Quality and Reliability" is naturally applicable to our products and services to ensure that they are highly valued by our customers. However, its successful application further encompasses such aspects as organizational structure, business operations, employees and the management in general.

The following are the guidelines which indicate what we should do for the purpose of enhancing "Quality and Reliability." These guidelines are not only for management but also for each and every employee of Hensley in performing their respective jobs on a day-to-day basis:

- a. To always think about the needs of customers and to strive to provide products, services and systems that are safe, environment-conscious and innovative, as well as to provide customers with the most suitable solutions;
- b. To always pursue innovation of technology and management;
- c. To promote consolidated management from the global perspective;
- d. To contribute to the welfare of the local community as a good corporate citizen;
and
- e. To provide employees with opportunities for innovation and achievements, while promoting health and safety of employees and their families.

B. Emphasis on Corporate Governance

The Board of Directors is the core organization that plays the key role in terms of corporate governance. Hensley shall always endeavor to vitalize Board activities, so that the Board will substantively discuss important matters concerning management of the company, duly decide matters for Board resolution

after ample review and deliberation, and have other relevant matters properly reported to the Board without fail.

The top management of Hensley shall concentrate on steady and stable operation in the company's own business field, establish and maintain an internal control system in compliance with all applicable laws, regulations and Hensley's policies and thus enhance the soundness and transparency of the management.

C. Reinforcement of Manufacturing Competitiveness and The HENSLEY Way

Hensley's strength stems from its sound corporate governance and "Manufacturing Competitiveness".

"Manufacturing Competitiveness" that we pursue means "to provide our customers with those products, services and solutions that they highly appreciate by supporting expansion of their businesses." "Manufacturing Competitiveness" also requires due considerations on environment and endeavors to pursue safety throughout its process, so that our products and services will eventually be indispensable for customers.

Reinforcement of our "Manufacturing Competitiveness" naturally requires integrated joint activities within the Hensley organization, involving relevant departments and sections such as R&D, procurement, production, marketing, servicing and administration, but it also requires the same level of integrated activities throughout the value chain involving our suppliers, distributors and other business partners.

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COMPLIANCE WITH THE RULES

A. Compliance with the Rules

All of us who work for Hensley, from top management to each and every employee (hereinafter “Hensley Members”), shall fully understand Hensley’s responsibilities as a good corporate citizen, and duly respect and comply with all the rules that are applicable to its activities. Such rules (hereinafter collectively the “Rules”) include not only the applicable laws, regulations and standards of the respective jurisdictions but also social responsibilities and other internationally established norms of behavior.

Because the Rules will change as society evolves, we, the Hensley Members, shall ensure that we are always up to date on the latest information about the Rules. Ignorance of the Rules will not be an excuse and we shall always inquire into and ascertain the Rules that are applicable to our business operations, and make all applicable Rules fully understood by all our colleagues and business partners. In case of doubt or uncertainty, Hensley Members shall consult an authority (supervisors, departments in charge, or specialists as the case may be) with a view to properly conducting our business in accordance with the applicable Rules. We shall vigorously seek solutions to any known problems without postponing necessary actions.

Over all other considerations, we shall give priority to complying with the Rules and to fulfilling the trust of society. We shall in no way behave, or allow our colleagues or subordinates to behave, in violation of the Rules. Under no circumstances shall any violation of the Rules be tolerated, whether as a result of instructions from superiors or requests from customers, or for the purpose of benefiting the company.

Once we learn about any violation of the Rules, we shall immediately contact Hensley’s responsible office for compliance and other relevant offices, and, with their close assistance, take appropriate measures to rectify and to prevent recurrence of such violation. No matter what the reasons may be, wrongdoings or mistakes shall never be concealed or misrepresented.

B. Customary Practices

Hensley recognizes that customary practices in business may vary from one country or region to another. Although we respect such customary practices in the country or region in which we operate, we shall give priority to the observation of

fairness and refrain from following the custom whenever we believe there is conflict. If there is conflict between customary practices and applicable laws and regulations, we must always follow the applicable laws and regulations.

C. Avoidance of Criminal Organizations

We shall thoroughly avoid any connection with any criminal powers and groups that pose serious threats to the public order or security.

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RELATIONSHIP WITH SOCIETY

A. Corporate Social Responsibility (CSR)

Hensley acknowledges that our business is highly dependent on the soundness and stability of society. In this regard, we duly realize the growing importance of Corporate Social Responsibility (“CSR”) in the course of our business operations, and consider it our important inherent duty to fulfill CSR as a corporate citizen, with a view to contributing to the sustainable development of society.

Hensley considers that their CSR activities are to respond to the demands of society through their own business operations and shall continue to vigorously promote those activities that are encompassed in this Code, such as compliance with the Rules and care for environmental protection and contributions to the community, while taking appropriate measures to have such activities duly perceived and understood by our stakeholders.

For the purpose of reinforcing the said activities, Hensley Industries, Inc. shall coordinate Hensley’s CSR activities in collaboration with other relevant offices.

B. Stakeholder Relations

When we talk about “stakeholders”, we refer collectively to all parties that are affected by our business activities. Stakeholders include customers, shareholders, investors, distributors, business partners in the supply chain, local communities and employees. Based on the concept that Hensley and its stakeholders are mutually indispensable partners, we shall endeavor to establish and maintain long-lasting and healthy relationships of mutual trust, by way of disclosing accurate information in a fair, timely and impartial manner through our activities in such fields as public relations and investor relations.

1) Customers

Customers are the most important stakeholders for the businesses of Hensley. We shall devote ourselves to provide our customers with relevant information according to their needs and requirements, to seriously listen to their perceptions and to provide them with the most suitable solutions by striving to deliver products, services and systems that are safe, environment-conscious, innovative and of superior quality.

Valuing relations with our customers does not mean our blind obedience to them. While we shall respect the requests of our customers, we shall not dispense with the efforts to ascertain whether such requests are consistent with the Rules and to the benefit of the customers. Whenever we believe that the answer is negative, we shall fully explain the problem with the courage to say “No” to the request.

2) Shareholders and Investors

On the basis of shareholders’ entrustment, Hensley shall exert its best efforts to preserve the value of their investment in Hensley and to maximize their benefit.

Maximizing the benefit of shareholders does not mean that we shall concentrate on short-term profits. Rather, it means that we shall aim at sustainable growth of the business through stable management, while ensuring compliance with the Rules.

In order to maintain transparency of management, we shall treat all shareholders and investors in an impartial manner, and shall disclose to them accurate information on Hensley’s business in a timely fashion. Such disclosure shall not be limited to those legally required and shall duly cover management policy, business results, dividend policy and other relevant issues about management.

3) Distributors

Distributors are important business partners of Hensley that constitute the basis of Hensley’s sales network. We shall honor the contracts with our distributors and vigorously seek establishment of long-lasting stable relationships on the basis of mutual trust. We shall also provide our distributors with reasonable support according to their respective needs and encourage them to comply with the Rules.

We shall appoint our distributors on the basis of financial soundness and other objective business criteria, as well as from the viewpoint of compliance with the Rules.

4) Business Partners in the Supply Chain

Suppliers and other players in the supply chain are important business partners of Hensley. We shall vigorously seek establishment of long-lasting stable relationships on the basis of mutual trust. On the other hand, we shall keep our relationship with these business partners appropriate and business oriented and shall not indulge in excessive entertainment or any other favor that is impermissible under the Rules. We shall also encourage them to comply with the Rules.

We shall employ the principle of free competition in the selection of our business partners in the supply chain. Selection shall be made on the basis of quality, cost,

delivery and other objective and operational criteria as well as from the viewpoint of compliance with the Rules.

5) Local Communities

Companies cannot continue to exist without maintaining good harmony with constituents of the local community. Hensley shall maintain close communication with their respective local communities and actively seek harmonious balance of interest, with a view to becoming a most open corporate citizen fully contributing to the local community.

6) Employees

Employees are the driving force of our business operations and indispensable assets to the Hensley. On a world-wide basis, we shall respect fundamental human rights and treat each and every employee fairly, respecting his or her personality and individuality.

We shall maintain close communication with employees and endeavor to provide a safe working environment so that employees can maintain ease of mind in their respective workplaces.

We shall provide them with appropriate education and training so that they can proactively enhance their respective skills and abilities. We shall also endeavor to provide them with development opportunities to fully utilize their respective abilities, enhance their careers and feel satisfaction and pride in being Hensley Members.

C. Social Contribution

1) Basic Stance

Specific elements of CSR may differ from country to country, from region to region or from one business to another. However, regardless of such differences in detail, the key question remains the same for companies to co-exist in harmony with society, that is, how to respond to the expectations from society, and thus gain trust from society. As already stated, it is Hensley's world-wide common principle that Hensley should fulfill its corporate social responsibilities through its own business operations. On top of that, we also acknowledge that a company, as a good corporate citizen, should live up to the expectations of the society by promoting harmonious relations with, and contributing to the benefit of, the community in which it operates. Accordingly, we shall be proactively and continuously engaged in regional activities for social contribution as part of our corporate social responsibility.

The following are the aims and basic principles that apply to our activities for social

contribution:

Aims: To clarify the responsibilities of Hensley and its employees as members of the local community and guide their activities for social contribution accordingly.

Principles: Activities for social contribution should:

- have continuity;
- contribute to the advancement of public welfare;
- be chosen voluntarily (not forced);
- be reasonable to employees; and
- not be designed to advertise our products or services.

2) Employees' Volunteer Activities

We acknowledge that the essential factor of employees' volunteer activities is their self-initiated participation. We esteem employee participation in volunteer activities and shall assist such activities by way of introducing various support systems without, however, forcing our employees to participate in such activities.

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FREE AND FAIR TRADE

A. Fair Competition

As a world leader in the industry, Hensley shall comply with all applicable competition laws and regulations and be a leader of fair and free competition. In particular, we shall put special emphasis on the following principles:

- a. We are determined to oppose and never become involved in collusive bidding, cartels or any other arrangements that are designed to restrict or reduce fair and free competition;
- b. We shall refrain from engaging in defamation, false denunciation, interference and other unfair measures designed to drive out existing or potential competitors;
- c. We shall refrain from engaging in any trade practices that are deemed unfair or illegal under the laws and regulations of the jurisdictions in which we operate;
- d. We shall always represent in a proper and appropriate manner the quality, price and other important factors in providing our products, services and systems, and avoid misrepresentations that may cause confusion or misunderstanding among our distributors or customers;
- e. We shall honor the intellectual properties of others and shall take appropriate measures not to infringe upon them; and
- f. We shall take appropriate measures to refrain from unlawfully acquiring or making use of trade secrets or other proprietary information belonging to others.

B. Appropriate Sociality

We shall keep the level of business entertainment and other social events associated with our business operations in the most appropriate way in light of the prevailing social standards and common sense, and from an international perspective.

- a. In principle, Hensley shall not be involved in any social exchange of gifts. Should the local custom make it necessary to give, receive or exchange gifts, we shall do so strictly within the limits set forth in the applicable laws and regulations of the region.
- b. Participation in funerals, weddings and other ceremonial events for business relations shall be made modestly when appropriate and in accordance with the

prevailing social standards of the region.

- c. We shall not permit business entertainment among Hensley Members or among Hensley beyond the prevailing social standards and common sense.
- d. Business entertainment shall be permissible only when sound ground exists or there are business reasons (e.g., establishment of better communication with business partners). Hensley shall control the relevant expense account within the limits set forth in the applicable laws and regulations of the region.

C. Relationship with Governmental Agencies and Officials

We shall keep our relationship fair and proper with any governmental bodies and agencies, whether domestic or foreign, and shall utterly avoid any kind of corruptive or unlawful relationship. Hensley shall duly observe all relevant laws and regulations and keep transparent relationships with all government officials so that there is no appearance of any dubious arrangements.

Hensley shall not provide, offer or promise money, goods, services, convenience or any other benefits to government officials (including those who are deemed government officials under applicable laws or regulations), whether domestic or foreign, for the purpose of obtaining or retaining business or any other advantages. Hensley shall also strictly prohibit not only their own employees but also their trade partners, agents and other intermediaries, from being involved in the aforementioned activities.

In order to comply with the preceding paragraph, Hensley shall set up practical guidelines within their respective organizations, in light of the applicable laws and regulations as well as the international trend of anti-corruption and make such guidelines thoroughly known among their employees.

D. Proper Export Control

Hensley shall pay due attention to the preservation of world peace and security. As part of such general proposition, Hensley Members shall use appropriate efforts towards ensuring that, in relation to any transaction, the products or technology of their respective companies will not end up being misappropriated for proliferation of weapons (including weapons of mass destruction), support of terrorism or other activities of imminent threat to world peace. In this regard, all Hensley Members shall meticulously observe all applicable export control laws and regulations as well as relevant internal rules.

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EMPLOYMENT

A. Global Policy on Human Resources Management

Systems of human resources management differ from one region to another reflecting the differences in historical and cultural backgrounds, which are differences we should respect and duly take into consideration.

Hensley shall establish systems of human resources management that are most suitable for their respective region reflecting the local characteristics and in accordance with the following basic principles:

- a. We shall respect each employee's fundamental human rights, inherent traits, individuality and legally protected privacy.
- b. We shall treat and appraise each and every employee in a fair and impartial manner. We shall not discriminate against any employee on the basis of nationality, race, religion, age, gender, physical or mental disability, or other legally protected attributes. We shall vigorously endeavor to promote equal opportunities for employment and eliminate harassment in the workplace.
- c. We shall endeavor to provide the employees with workplaces where they can seek good balance between their private life and professional life while effectively accomplishing their respective tasks with satisfaction and pride.
- d. We shall endeavor to design and administer the systems of human resources management in a manner that is most reasonable and persuasive to the employees. We shall make such systems open and clearly explain them to the employees to the maximum extent practicable.
- e. Hensley shall comply with all applicable laws and regulations governing employees' rights in jurisdictions in which they operate and faithfully accommodate, whenever applicable, conversations or discussions with employees or their representatives.
- f. Hensley shall not tolerate child labor or forced labor.
- g. Hensley shall endeavor to offer to their respective employees those terms and conditions for employment that are sufficiently competitive in their respective regions.

Hensley shall duly observe the basic principles above and, whenever they find any situation or action in deviation from the above, they shall

immediately conduct a proper investigation and implement remedial measures as necessary.

B. Occupational Safety and Health

The management and employees of Hensley shall promote occupational safety and health activities by working together as one team in order to realize a safe and comfortable work environment in accordance with the following policies:

- a. Observe the laws and regulations concerning occupational safety and health as well as internal rules, key items common to Hensley about occupational safety and health, and particularly items agreed as a result of labor-management consultations in each workplace.
- b. Set up targets for activities based on occupational safety and health policies, review their progress, and endeavor to continuously improve and enhance occupational safety and health activities.
- c. Carry out occupational safety and health activities in management-and-labor partnership on full participation basis and keep good communication with stakeholders with regard to occupational safety and health.
- d. Identify and evaluate the risk for occupational safety and health of a workplace and take appropriate actions accordingly.
- e. Actively promote employees' healthcare management and support the maintenance and promotion of employees' health.
- f. Actively promote education, training and qualification acquisition necessary for employees' occupational safety and health activities, and endeavor to develop human resources for safely carrying out their responsibilities in workplace.
- g. Subject to appropriate protection of personal information, publicly offer the knowledge and information about occupational safety and health activities obtained through the business activities in order to secure safety and health in society.

C. Enhancement of Human Security

In conducting business operations, Hensley shall pay due attention to the latent threats to the lives and bodies of their employees that might be posed by terrorism, conflicts, riots, natural disasters and other events beyond their control. Hensley shall continuously endeavor to enhance security measures in order to minimize human losses even if such uncontrollable events occur.

D. Protection of Corporate Properties and Interests

Hensley shall endeavor to protect their respective properties and interests against misappropriation, impairment, loss or dilution, by way of establishing appropriate company rules and making them fully known to and observed by their respective employees. Such company rules shall include the following points:

1) Protection of Assets

All assets of Hensley, including its facilities, fixtures, equipment, office supplies, inventory, funds and information, shall be used solely for the company's business. In order to minimize the risk of theft, misappropriation, leaks or misplacement, Hensley shall have the administrative process of assets management detailed in writing and meticulously followed and checked.

2) Protection of Intellectual Property

Hensley shall make it known to their respective employees that intellectual property rights constitute an important part of corporate assets. Hensley shall establish a company rule that requires all inventions, breakthroughs, works of authorship and other works made or created in relation to employment to be protected as the company's intellectual property rights, and shall take all relevant steps to legally implement such protection. Hensley shall ensure that their intellectual properties are properly and effectively utilized in the course of their respective business operations and take prompt countermeasures in case of any infringement or misappropriation by third parties.

3) Conflicts of Interest

Hensley shall make it clear to their respective employees that no Hensley Members shall be engaged in any business in competition with Hensley or shall sacrifice the interest of Hensley in favor of benefit to themselves or third parties.

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ENVIRONMENT PROTECTION

Hensley products, while contributing to the achievement of more prosperous and convenient human lives, are also putting burdens on the environment through their processes of production, use and disposal. In this regard, we shall proactively endeavor to reduce or counterbalance such burdens on the environment.

It is also our important responsibility to strive to provide our customers with products and services that are friendly to both the environment and mankind.

Hensley has clarified its commitment to the protection of the environment on the earth in "Hensley Earth Environment Charter." Under this charter, we shall regard activities for environment protection as one of the most prioritized management targets and proactively take relevant measures.

Summary of "Hensley Earth Environment Charter"

1. Contributions to Realization of Sustainable Society

We, at Hensley, define environmental conservation efforts as one of the highest priority management tasks, and endeavor to contribute to the sustainable growth of society by integrating advanced technologies into environmental conservation efforts in all our business activities.

2. Simultaneous Realization of Environmental and Economic Performance

We are committed to improving both environmental performance and economic efficiency, as a company working toward superior manufacturing for customer satisfaction.

3. Observance of Corporate Social Responsibility

Hensley promotes environmental conservation by not only complying with all applicable laws and regulations of the concerned host community, region and country but also by establishing its voluntary standards which consider global and local environmental concerns, thereby striving to fulfill its corporate social responsibility and promoting close-knit communication with all Hensley stakeholders.

- Reduction of emissions of greenhouse gas in the total life cycle of our products and services;
- Minimization of the use of natural resources and expansion of Zero Emissions from our manufacturing activities, and increase of the recyclability rate of products at the time of disposal;
- Establishment of, and compliance with, voluntary standards concerning such matters as the conservation of water quality and prevention of air pollution, and the thorough management of chemical substances for use in our business activities; and
- Promotion of activities by each office for conservation of biodiversity.

Hensley shall promote activities for environment protection throughout their respective operations in accordance with the above basic policies.

A. Protection and Management of Information

We acknowledge that our business information as well as our infrastructures for information management (collectively "Information Property") constitutes valuable assets to Hensley. In this regard, Hensley shall endeavor to protect Information Property against misappropriation, impairment, loss or leakage, by way of establishing appropriate company rules and making them fully known to and observed by their respective employees. In particular, such company rules shall take firm action to prevent the following acts (even if such acts arise from negligence):

- a. Disclosure of any non-public Information Property to any unauthorized person (inside or outside of the company);
- b. Use of Information Property for any purposes other than legitimate business operations;
- c. Unauthorized modification or alteration of any Information Property; or
- d. Any behavior or action that hinders or obstructs legitimate utilization of Information Property in the workplace.

In addition to the above, Hensley shall further take into consideration the following points depending on the specific nature of the Information Property:

1) Information on Company's Business

In recognition of the fact that information on the company's technologies, sales and other business activities constitutes important assets to Hensley shall require their respective employees to effectively make use of such Information Property solely for business and not to make any unauthorized disclosure, modification, alteration or destruction of the same.

2) Information on Customers and Business Partners

In recognition of the fact that the company is legally obligated to properly manage and protect the secrecy and privacy of such information on its business partners and customers (including information about their equipment, process management and production management) as it acquires through business transactions, Hensley

shall require their respective employees to handle any information on customers and business partners with special care and not to make any disclosure or use of the same unless authorized or legally required otherwise.

3) Information on Employees

In recognition of the fact that the company is legally obligated to properly manage and protect the confidentiality of personal and private information of its employees, Hensley shall require their respective employees not to make any unauthorized disclosure or unauthorized use of such information about other employees as they acquire through their jobs, without the consent of those concerned or unless legally required otherwise.

B. Use of Information

Hensley shall make it clear to their employees that Information Property is intended for use solely in proper business and that they shall in no event use the same in any manner against the Rules or for any personal or private purposes. Hensley shall establish their respective internal rules for handling and management of Information Property and have them observed by their employees according to their respective job responsibilities.

C. Prohibition of Insider Trading

Hensley Members shall not engage in any insider trading or other transactions that may give rise to any suspicion of insider trading on the basis of any non-public information, whether concerning Hensley, its customers, business partners or otherwise.

D. Disclosure of Information

We shall appropriately disclose information on Hensley's business operations in general to our shareholders, investors and other stakeholders to the extent permissible under the relevant laws, regulations and contracts with third parties and subject to appropriate protection of trade secrets. We shall respond to inquiries from our stakeholders properly and in a timely fashion taking into consideration the principle of impartiality. We shall also proactively disclose relevant business information to all employees no matter where they are geographically located.

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ESTABLISHMENT OF INTERNAL CONTROL SYSTEMS

A. Assurance of Appropriate Corporate Governance

In order to ensure appropriateness of corporate governance on a consolidated basis, Hensley shall endeavor to establish and maintain, in accordance with corporate laws and other relevant laws and regulations, an intra-group control system including (i) improvement and maintenance of transparency, soundness and efficiency of management, (ii) company-wide adherence to compliance with the Rules, and (iii) appropriate risk management.

B. Assurance of Appropriate Financial Reporting

1) Responsibilities under Laws and Regulations for Internal Control

In accordance with relevant laws and regulations for internal control, Hensley is obligated to maintain effectiveness of internal controls and procedures relative to its financial reporting. As such, Hensley has very serious responsibilities regarding the appropriateness of its financial reporting.

2) Establishment and Maintenance of Internal Control System

In recognition of the aforementioned responsibilities of Hensley, Hensley shall establish and maintain internal control systems that will ensure reliability of their respective financial reports. Hensley shall also properly keep books and make timely reports on their financing, accounting and taxation in accordance with the applicable laws, regulations, accounting principles and internal rules.

The CEO and the CFO of Hensley have the responsibility to annually submit a certificate to our parent company to the effect that the financial reports of their respective companies are appropriate in light of the applicable laws, regulations and accounting principles. Should any material weakness or significant deficiency be found in the reliability of their financial reports, they are required to report the same to Hensley Industries, Inc.

3) Proper Processing

In order to ensure appropriateness of Hensley's financial reporting, all Hensley Members shall properly process all incomes and expenses of their respective

companies, including without limitation, recognition of sale and incurrence of cost, in accordance with the applicable accounting and tax laws, regulations and internal rules.

A. Compliance Committee and Compliance Officer

For the purpose of ensuring compliance with the Rules throughout Hensley, Hensley Industries, Inc. shall establish and maintain a Compliance Committee (the “Committee”) at its headquarters. The Committee shall convene at a regular interval and discuss and decide on matters relevant to the said purpose. The Committee shall be chaired by the President of Hensley Industries, Inc and include CFO and GM Human Resources.

Hensley Industries, Inc. shall also appoint one of its Board Members or executive officers to the position of Compliance Officer, and make it clear to all Hensley Members and to the public that the Compliance Officer is responsible for Hensley’s compliance with the Rules.

B. Compliance Department

Hensley Industries, Inc. shall maintain Compliance through Human resources Department (the “Department”) at its headquarters. The Department shall play the following roles in order to promote Hensley’s thorough compliance with the Rules:

- a. Preparation of fundamental policies on compliance with the Rules for discussion at the Committee;
- b. Communication and dissemination of established policies to Hensley and to Hensley Members;
- c. Promotion and handling of whistle-blowing policy;
- d. Promotion of compliance with the Rules and auditing on the status of compliance; and
- e. Handling of those specific matters that may arise in connection with the Rules and should be addressed on a consolidated basis (by way of extending consultation, advice and/or direct handling of specific problems, as the case may be).

- * In addition to the above, the Department is also responsible for more detailed tasks for compliance with the Rules (including education, training and testing) in accordance with the company rules of Hensley Industries, Inc.

C. Internal Hotline

Hensley Industries, Inc. shall establish and maintain a Compliance Hotline at its headquarters. This Hotline shall handle employees' whistle-blowing on alleged or suspected violation of the Rules (that should be processed under the U.S. jurisdiction or by settlement on a consolidated basis), make relevant investigations and develop action plans for rectification, as necessary.

Phone :	972-406-6278
Fax:	972-406-4752
E-mail:	tmccormack@hensleyind.com

Hensley shall, in cooperation with one another, endeavor to establish a comparable Compliance Hotline in their respective regions, so that Hensley Members in such regions shall be provided with the same opportunities as set forth above.

D. Protection of Reporting Employees

Hensley guarantees that no employee of Hensley shall be treated unfavorably because of the fact that he or she consulted with, reported to or in any other manner contacted the Compliance Hotline(s), unless it is proven that such consultation, reporting or other contact was made for purposes against the Rules.

E. Company Level Actions

For the purpose of further promoting compliance with the Rules at the company level, top management of Hensley shall proactively provide their respective employees with opportunities of open and candid communication.

They shall also endeavor to establish and enhance a system for compliance with the Rules, which system is comparable to that of Hensley Industries, Inc., by way of establishing and clarifying the responsible offices, and faithfully responding to the reporting or consultation from employees.

For the purpose of reinforcing their compliance system, Hensley shall also establish and maintain relevant internal rules, taking into consideration those factors that are specific to their respective regions and business fields, and clearly allocating responsibilities within the organization.

A. Certificate of Observance

This Code encompasses many of the Rules that must be observed by all Hensley Members, including top management.

Top management of Hensley shall declare that they fully understand this Code and conduct their respective business operations in compliance with this Code, and shall submit to the President of Hensley Industries, Inc. their respective signed certificates in a separately designated form accordingly.

All other Hensley Members shall submit to their respective top management signed certificates, in a form separately designated, that they shall always behave in compliance with this Code.

B. Managers' Responsibilities

All managers of Hensley shall, in the course of day-to-day operations, take the lead in dissemination of, and compliance with, this Code in their respective workplaces.

They shall not hesitate to exercise their respective powers whenever it is necessary to do so in having their subordinates properly understand and fully comply with this Code.

C. Enforcement

Violation of the Rules, concealment of violation, as well as alteration, falsification, forgery or misrepresentation of the facts shall be subject to disciplinary action in accordance with the relevant company rules and/or employment contracts and, as necessary, subject to legal proceedings.

D. Revision

This Code shall be reviewed periodically, and shall be revised if so approved by the Compliance Committee of Hensley Industries, Inc. Copies of new Code will be distributed to all Hensley Members at the time of each revision.

E. Derivative Codes

Whenever they deem it necessary, Hensley subsidiary companies shall endeavor to establish their own versions of this Code, incorporating those Rules that are specific to

their respective countries of operation or business models; provided that such derivative Codes shall not contradict or conflict with this Code in substance.